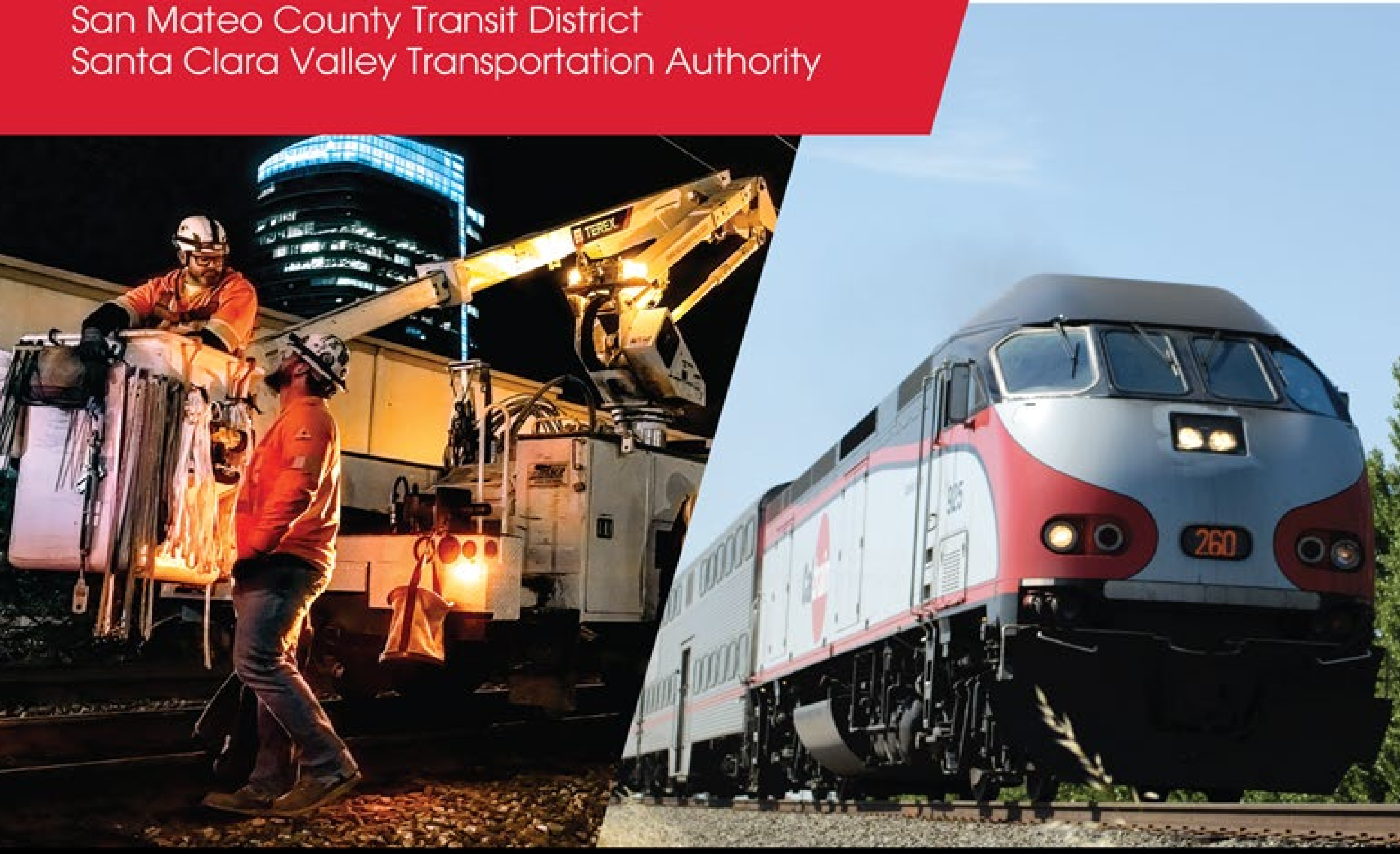
Peninsula Corridor Joint Powers Board
San Carlos, California

A Joint Powers Authority
Established by Agreement among:

City and County of San Francisco
San Mateo County Transit District
Santa Clara Valley Transportation Authority



Annual Comprehensive Financial Report

Fiscal Years Ended June 30, 2024 and 2023

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PENINSULA CORRIDOR JOINT POWERS BOARD

San Carlos, California

Annual Comprehensive Financial Report
Fiscal Years Ended June 30, 2024 and 2023

Prepared by the Finance Division

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INTRODUCTORY

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December 13, 2024

To the Board of Directors of the Peninsula Corridor Joint Powers Board and the Citizens of San Francisco, San Mateo, and Santa Clara Counties
San Carlos, California

Annual Comprehensive Financial Report Year Ended June 30, 2024 (FY24)

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain) for the period from July 1, 2023 through June 30, 2024 (FY24). The JPB is the governing body for the Caltrain commuter rail transit service between San Francisco, San Jose, and Gilroy. This transmittal letter provides a summary of Caltrain's finances, services, achievements, and economic prospects for readers without a technical background in accounting or finance. FY24 reflects continued challenges as Caltrain moves forward in its recovery from the pandemic. This letter will address those impacts where appropriate.

Management assumes sole responsibility for all the information contained in this report, including the presentation and the adequacy of all disclosures. To the best of our knowledge, we believe this report to be complete and reliable in all material respects. To provide a reasonable basis for making this representation, we have established a comprehensive system of internal controls designed to protect the Caltrain's assets from potential losses, to identify and record transactions accurately, and to compile the information necessary to produce financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not exceed the likely benefits, the Caltrain's internal control system intends to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement.

To test the performance of the internal control system, Caltrain contracted for independent auditing services from Brown Armstrong Accountancy Corporation, a certified public accounting (CPA) firm licensed to practice in the State of California. The auditor expressed an opinion that the Caltrain's financial statements are fairly stated in all material respects and in compliance with accounting principles generally accepted in the United States of America. This conclusion is the most favorable kind, commonly known as an “unmodified” or “clean” opinion.

Management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditors’ report.

PROFILE OF THE ORGANIZATION

Purpose

The JPB is responsible for the Caltrain passenger rail service on the San Francisco Peninsula and south into Santa Clara County. JPB owns and operates the rail system that has been a central part of Peninsula communities since 1865. Caltrain currently serves 31 stations and is operated on 77 miles track from San Franciso to Gilroy, of which JPB owns 51 miles and Union Pacific owns 26 miles. Spanning San Francisco, San Mateo, and Santa Clara counties, Caltrain directly serves 20 cities and provides critical connections to other transit services.

Core Values

The JPB is dedicated to providing a safe, reliable, and sustainable passenger transportation service that enhances the quality of life for all. Our core values of safety, excellence, resilience, integrity, equity and inclusion, and sustainability guide everything Caltrain does. The railroad prioritizes safety, first and always, for passengers and employees, strive for operational excellence, and ensure resilience through continuous improvement and innovation. The JPB operates with integrity, fostering trust and transparency, and is committed to equity and inclusion, ensuring all individuals have access to our services. Additionally, the railroad focuses on sustainability, implementing environmentally responsible practices to support the region's long-term health and economic vitality.

Entity

The JPB is a Joint Powers Authority that is legally and financially independent from its three member agencies, namely the San Mateo County Transit District (District), the Santa Clara Valley Transportation Authority (VTA), and the City and County of San Francisco (CCSF) and is not a component unit of any other organization. Furthermore, the JPB has no component unit organizations under its control. Therefore, this ACFR and the financial statements contained within represent solely the activities, transactions, and status of the JPB.

History

In 1980, after two years of negotiations, the California Department of Transportation (Caltrans) and the Southern Pacific Transportation Company (Southern Pacific) executed a purchase-of-service agreement for maintaining passenger rail service between San Francisco and San Jose. Service under this agreement began in 1980 with Southern Pacific operating the trains while receiving subsidies to cover its operating costs from Caltrans and the three member agencies and with Caltrans providing contract administration, service planning, marketing, engineering, scheduling, fare management, customer support, and performance monitoring.

In 1988, CCSF, the District, and VTA commissioned a study that recommended transferring responsibility for the rail service from the state to the local level. The three member agencies accomplished this objective in October 1991, executing a new joint powers agreement that formed the current JPB. Two months later, the JPB purchased the rail right-of-way between San Francisco and San Jose (Mainline) and perpetual trackage rights between San Jose and Gilroy (Gilroy Extension) from Southern Pacific.

The JPB holds title to all right-of-way property located in the County of San Francisco and the County of Santa Clara. The District expects to complete the conveyance of its tenant in common interest on the right-of-way property in the County of San Mateo to the JPB by the end of 2024. In addition, the JPB holds trackage rights that extend south from the end of its property ownership in San Jose to Gilroy over a rail line owned by the Union Pacific Railroad. Those rights include the rights to operate five daily two-way train pairs.

The JPB assumed responsibility for the operation of Caltrain service from Caltrans in 1992. Amtrak served as the JPB's contracted rail operator until May 2012. The JPB, at its September 2011 meeting, authorized the award of a new operating contract to TransitAmerica Services, Inc. (TASI). The contract carried a 5-year base term with the ability to execute 5 additional one-year options. In 2017, the JPB exercised all 5 of the option years, extending the contract with TASI to June 2022. In January 2021, the JPB extended the contract through June 2027 in order to enable the completion of construction of the Federal Transit Administration (FTA)-funded corridor electrification project and subsequent start-up of service in the electrified environment.

Caltrain has grown to become the seventh largest commuter railroad in the country, the largest carrier of bikes of any American transit system, and the nation's most efficient railroad pre-pandemic as measured by farebox recovery.

Governance

The JPB is a joint powers authority formed by and between three member agencies - the San Mateo County Transit District, the Santa Clara Valley Transportation Authority, and the City and County of San Francisco -- pursuant to California Government Code sections 6500 et seq.

The joint powers agreement executed by the three member agencies establishes a nine-person Board of Directors (Board) that governs the operations, maintenance, repair, improvements, and expansion of Caltrain. Each of the three Member Agencies appoints three persons to serve on the Board. The JPB also created a nine-person Citizens Advisory Committee (CAC) composed of three citizens from each JPB county. The principal objective of the CAC is to articulate the interests and needs of current and future customers.

On August 4, 2022, the JPB, the District, VTA, and CCSF approved a Memorandum of Understanding (MOU) relating to the JPB's governance. The MOU established a permanent, separate Executive Director position for Caltrain while authorizing five additional management positions for the agency: Chief of Staff, Director of Government and Community Affairs, Director of Budgets and Financial Analysis, Director of Real Estate, and Director of Grants and Fund Management. Prior to the 2022 MOU, the General Manager of the District served as the Executive Director of Caltrain. Following the 2022 MOU, the Executive Director, distinct from the District General Manager, reports directly to the Caltrain Board of Directors. The District provides shared services to Caltrain as discussed below. The MOU also provides for repayment of the District's initial investment in the Caltrain Right-of-Way; upon repayment, the District is required to reconvey its tenancy in common interest in the Right-of-Way to the JPB. The repayment has been completed in FY24 and the District is in the process of reconveying its interest to the JPB.

Administration

The joint powers agreement as first executed in 1991, and as amended and restated in 1996, and as modified by the 2022 MOU, designates the District as the Managing Agency to provide management, administrative, and staff services for Caltrain under the direction and oversight of the JPB. Caltrain reimburses the District for the direct and administrative costs incurred in providing the Managing Agency services. Some administrative costs are determined by overhead rates approved by the FTA. Currently, the District provides the following services for the JPB:

The *Communications Division* is responsible for customer service and experience, government and community affairs, marketing, sales, advertising, distribution services, public information, fare media, media relations, digital communications and website development, creative services, and community outreach.

The *Finance Division* is responsible for financial accounting and reporting, capital and operating budget development and administration, payroll and vendor disbursements, investments and cash management, debt management, revenue control, purchasing, contract administration, grant administration, financial planning, fare administration, and insurance.

The *Division of Innovation and Technology (DoIT)* is tasked with overseeing and managing the District's innovation and technology functions. This includes critical areas such as Cybersecurity, Technology Infrastructure, Data Center Management IT Applications and Software, Database Administration, Network Administration, and Systems Administration.

The *People and Culture Division* is responsible for Office of Civil Rights (OCR), Employee and Labor Relations (ER), and Human Resources (HR) Services. OCR consists of Civil Rights and EEO, Diversity, Equity, Inclusion & Belonging (DEIB), Disadvantage and Small Business Enterprise (DBE/SBE) Administration, Contract (Labor) Compliance, and Title VI. ER consists of Employee and Labor Relations, Drugfree and Pull Notice Programs, Training and Development, and Employee Engagement. Human Resources consists of Benefits, Classification and Compensation, Employee Services (Day-to-Day Administration), Human Capital Management System (HCM), HR Policies, Leave of Absences (LOA), Retirement, Talent Acquisition (Recruitment), HR Strategies, and HR/Rail Shared Services.

Caltrain

Caltrain operates under the direction of the Caltrain Executive Director and is responsible for Caltrain operations and maintenance oversight (including administration of the rail service-operating contract), state-of-good-repair, operations planning, engineering, rail safety, capital project planning, and delivery including design, construction, and integration of electrified service. The Caltrain Modernization Program (CalMod) is responsible for the implementation of the Peninsula Corridor Electrification Project (PCEP) that will upgrade the performance, operating efficiency, capacity, safety and reliability of Caltrain's commuter rail service. Electrified Caltrain revenue service began in September 2024.

Budgetary Control

State law requires the JPB to adopt an annual budget by resolution of the Board. In FY23, the Board adopted an amendment to the JPB Balanced Budget and Financial Reserve Policy to require appropriating funds for operating and capital budgets on a biennial basis each even numbered fiscal year, beginning with fiscal year 2024 and 2025. Instituting a biennial budget for both the operating and capital budgets allowed the agency to focus on longer-term financial planning for operation of an electrified railroad while facilitating coordination with members agencies on capital improvements and obligations. The Board monitors budget-to-actual performance through monthly staff reports. The Financial Section of this report includes a supplemental schedule that compares actual results on a budgetary basis of accounting to the final adopted budgets.

The Board has delegated the authority to transfer budget amounts between divisions and departments to the Executive Director or his/her designee. However, any increase to the expenditure budget as a whole requires the approval of the Board. In addition, the JPB uses an encumbrance system to reduce budget balances by issuing purchase orders to avoid over-commitment of resources.

The JPB employs the same basis of controls and accounting principles for both budgeted and actual revenues and expenditures. Proceeds from the sale of capital assets, unrealized investment gains and losses, and inter-fund transfers are not included in the budget. As a special purpose organization established pursuant to joint powers legislation, the JPB is not subject to the State of California's Gann Act requiring adherence to an annual appropriation limit.

FINANCIAL AND ECONOMIC OUTLOOK

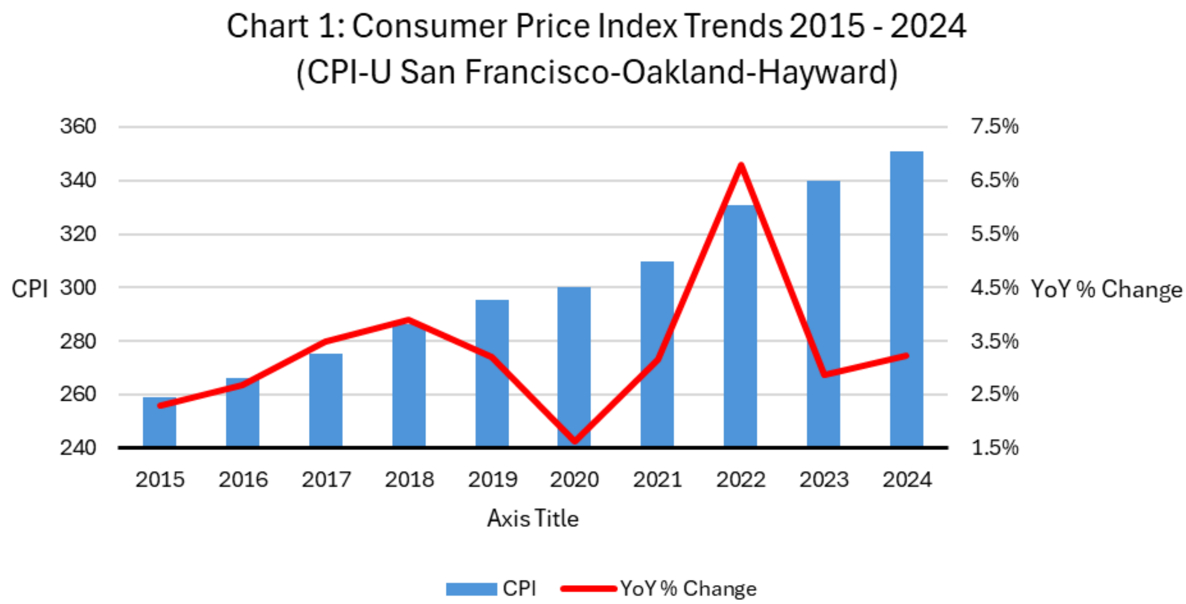
Caltrain continues to operate a 104-train weekday schedule, including hourly all-stop local trains throughout the day as well as a number of peak-hour limited and express trains to provide faster travel times and several different service options to increase ridership demand. On September 25, 2023, Caltrain implemented a schedule change to improve transfers with the Bay Area Rapid Transit District (BART) at the Millbrae Transit Center, provide faster local trains on weekday evenings, and add a fourth roundtrip train to Gilroy.

Caltrain has taken additional steps to enhance affordability and drive ridership – for example, providing a 50% discounted fare promotion in both September 2021 and April 2022 in addition to implementing and expanding a donation program for unused institutional pass products. A Ridership Recovery Task Force was created to develop specific customer acquisition strategies including community partnerships, brand campaigns, engagement events, and fare products. Current Caltrain fare promotions include a 3-Day Pass that allows for unlimited trips over three consecutive days, targeted at the hybrid commuter; $1 one-way youth rides for Clipper Youth Card holders, targeted at families and the next generation of Caltrain customers; a Family Day Pass, allowing two adults and up to four youths to ride together for the cost of two adults and one youth; and a pay for three and the fourth rides free Group Day Pass. The one-way youth rides promotion resulted in a 43% increase in ridership compared to the prior year. Due to this success, Caltrain is expanding this youth program to offer $1 one-way fares through all payment methods, and a new $2 day pass available on ticket vending machines and the Caltrain mobile app beginning in September 2024.

Local Economy

The Bay Area continues to rebound from the pandemic. Pricing pressures caused by inflation are still a concern. According to the U.S. Bureau of Labor Statistics' bimonthly report, as of June 2024, inflation in the San Francisco Bay Area sits at 3.2 percent, above the United States at 3.0 percent. Current Consumer Price Index (CPI) trends suggest optimism in the future for the economy, but the Federal Reserve continues to hold a hawkish stance, with commitment to easing inflationary pressures in the United States.

From 2015 to 2024, the CPI shows a steady upward trend, indicating a consistent increase in the cost of the items in the basket of goods represented in the index. The CPI rose from 259.1 in 2015 to 351.1 in 2024, reflecting an overall upward inflationary trend. The inflation has consistently risen over the past decade, though the pace has fluctuated. In 2020, the CPI growth rate reached its lowest point in a decade at 1. 6%. This prompted the Federal Reserve to implement quantitative easing, a policy aimed at stimulating the economy during the COVID-19 crisis. The impact of the Fed's loose monetary policy became apparent in 2022, when CPI experienced its most significant increase from 2015 to 2024, rising by 6. 8% year-over-year. To combat high inflation, the Federal Reserve began raising interest rates in 2022, which led to a deceleration in CPI growth to around 3% in 2023 and 2024. However, despite the rate hikes, inflation remains on an upward trajectory. Chart 1 reflects CPI trends from 2015-2024.



The Bay Area shows an overall decline in total jobs across most industries in the first half of the calendar year 2024 (CY24) driven by losses in technology, professional and business services industries. Looking forward to the second half of CY24, with the Federal Reserve's rate stance, the growth numbers in the labor market, and challenges within a stagnating commercial real estate market in San Francisco, as well as limited number of new builds in the residential housing market in the San Francisco County, San Mateo County, and Santa Clara County, there is high potential for economic pressures to stagger the growth of all industries in the Bay Area.

According to the California Employment Development Department's (EDD) June report, the unemployment rate in the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area increased to 4.1 percent, up from 3.5 percent in May. Total jobs in the region increased by 3,900, driven by growth in information technology, and professional and business services. The largest job losses in the area occurred in the private education and health services, and the government losing a combined total of 2,700 jobs.

Similarly, the California EDD reports a decrease in total jobs in the San Francisco-Redwood City-South San Francisco metropolitan division by 0.6 percent, a total of 6,700 jobs lost year-over-year. The greatest job losses in the region occurred in information technology losing 10,100 jobs, and professional and business services losing 7,400 jobs, reflecting layoffs observed throughout 2023 and 2024.These job losses were offset by year-over-year growth of 4,600 jobs in private education and health services and 3,600 jobs in leisure and hospitality.

As per the California EDD in June of 2024, unemployment rates in San Francisco County, San Mateo County, and Santa Clara County were 3.6 percent, 3.5 percent, and 4.1 percent respectfully. The total civilian labor force in Santa Clara County increased by 3,000 jobs from June 2023 to June 2024. In the same period, the total civilian labor force in San Francisco County and San Mateo County is down 0.6 percent, 6,700 jobs, and the unemployment rate has grown 0.3 percent from 3.2 percent in the same period.

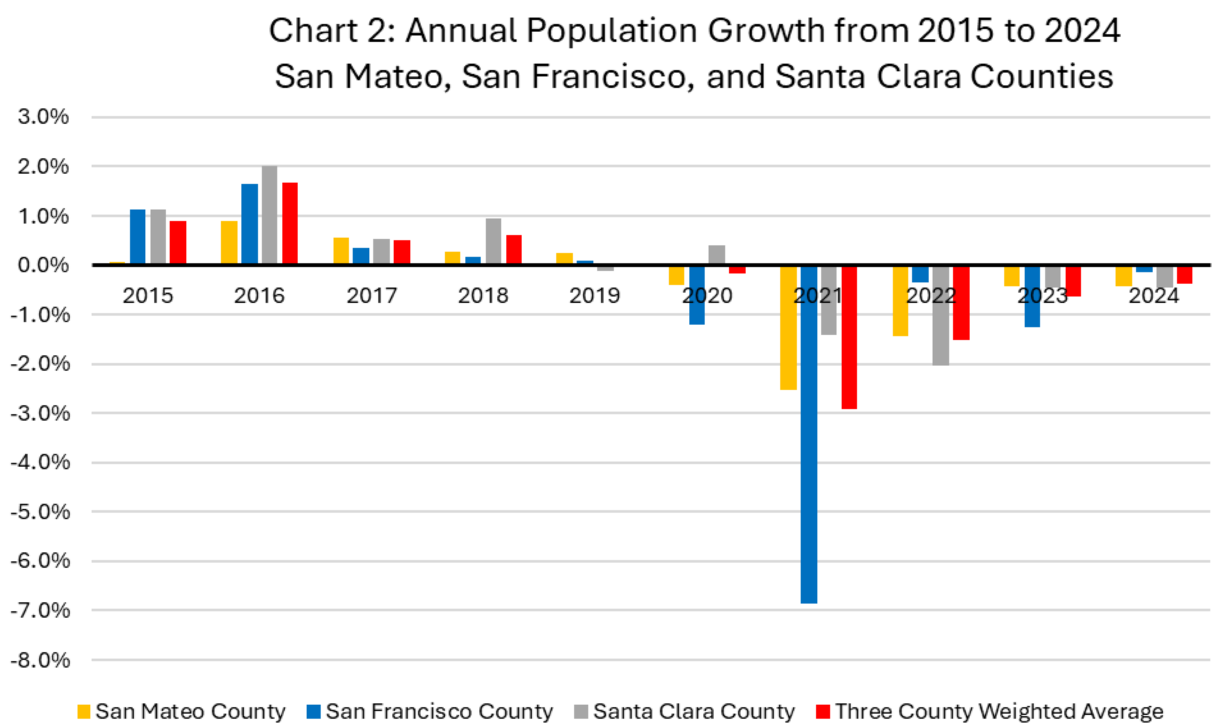
The pandemic, and the changes it brought to the workplace as we knew it, has had a more dramatic impact on Caltrain's ridership than any occurrence in its history. With ridership dropping by 97 percent in the early days of the shelter-in-place order, the pandemic posed a unique and serious challenge to Caltrain as the service adapted to the new normal. Caltrain's historical reliance on farebox revenues made the agency especially vulnerable to that drop, resulting in substantial budget deficits.

Fortunately, Caltrain's ridership continues to trend upward. In September 2024, weekday ridership exceeded 26,000 on average, and is above 43% of pre-pandemic levels overall. Weekend ridership had been growing at a higher rate in spite of a series of partial weekend closures in 2023 and 2024 to accelerate work on PCEP, which has impacted ridership growth due to the need for customers to transfer to substitute bus service. With the completion of PCEP, weekend service continues to be a bright spot for Caltrain's recovery. In September 2024, Saturday ridership was approximately 105% and Sunday ridership approximately 154% of pre-pandemic levels.

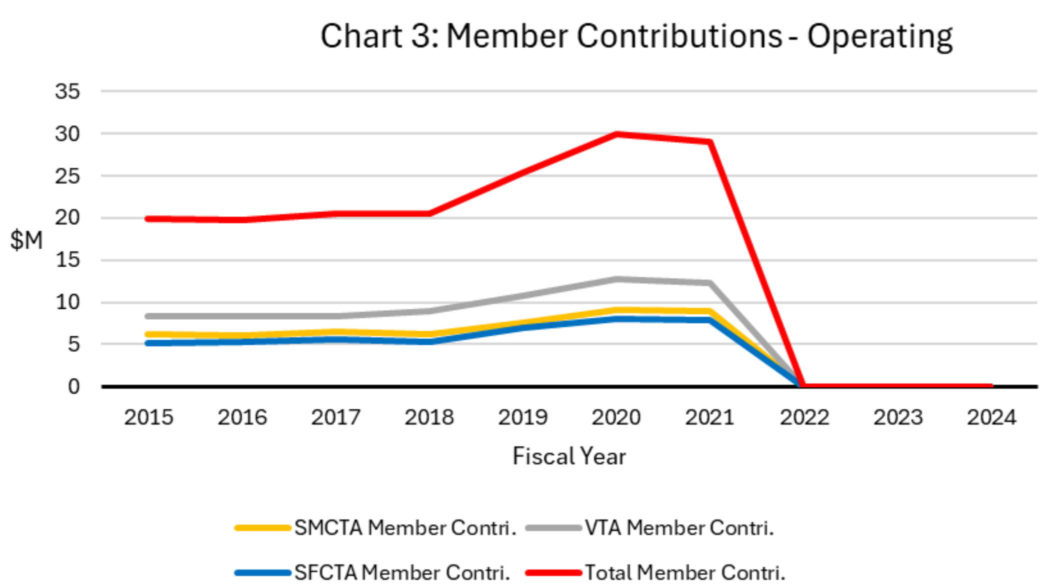
Housing affordability in the entire Bay Area remains a constant concern moving forward into the second half of 2024. According to the California Association of Realtors, the pricing for existing single-family housing, was down 6 percent, while San Francisco County, San Mateo County, and Santa Clara County were up 20.4 percent, 13.4 percent, and 13.7 percent respectfully. Single-family home prices in all three counties continue to rise year-to-year. As of May 2024, Santa Clara County is leading the percent price increase in the Bay Area with a year-to-year gain of 17.4 percent, followed by San Mateo County at 15.7 percent, and San Francisco County at an increase of 2.2 percent. As inflationary pressures, high interest rates, and a limited number of new buildings permitted within the Bay Area, people interested in owning a home are looking for affordable housing in different areas.

Recent annual comprehensive financial reports across from the three California counties that encompass Caltrain service area reveal significant increases in per capita personal income. According to the reports, in FY23, San Francisco County reported an estimated per capita income of 169,758 dollars, marking a 2.7 percent rise from the previous year's 165,259 dollars. Santa Clara County, for FY2022, saw a per capita income of 144,399 dollars, reflecting a 4.1 percent increase from FY2021's 138,724 dollars. Meanwhile, San Mateo County maintained its position as one of California's wealthiest regions, recording a per capita income of 165,300 dollars in FY2022, a 3 percent rise from 2021's 160,485 dollars.

As shown in chart 2, Annual Population Growth from 2015 to 2024, San Mateo, San Francisco, and Santa Clara Counties, San Francisco, San Mateo, and Santa Clara counties have all experienced decline in overall population growth since 2021. The projections for 2024 indicate that this trend will continue, though at a slower pace compared to the previous years. Due to the high cost of living and greater ability to work remotely, the overall population growth in all three counties is expected to be stagnant with minimal growth in the foreseeable future.



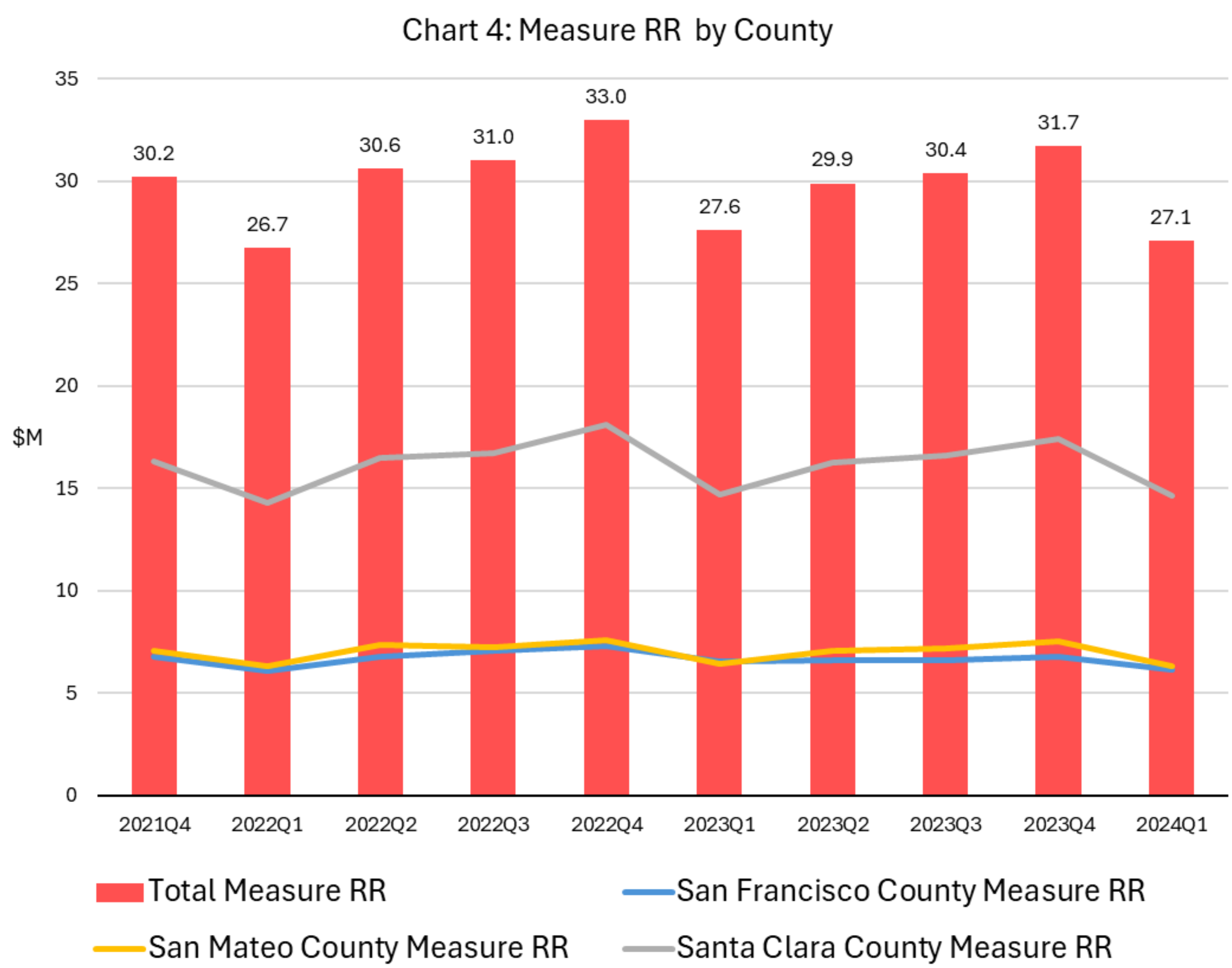
As shown in Chart 3 Member Contributions – Operating, from 2015 to 2021, combined annual member contributions from SMCTA, VTA, and SFCTA to Caltrain were between approx. $20M-$30M, growing by 46 percent over the period. Total member contributions in 2015 amounted to $19.8M and increased to $29.0M in 2021. 2022 marked a dramatic decrease in contributions from the member agencies, when Caltrain began to receive revenues from Measure RR.



Measure RR

In 2020, the voters of San Francisco, San Mateo, and Santa Clara Counties approved a ballot measure, known as Measure RR, which levies a one-eight (1/8) of one percent (0.125%) retail transactions and use tax for a period of thirty (30) years in all three counties. This tax provides the first and only dedicated funding source for Caltrain. The purpose of Measure RR is to fund the operating and capital expenses of Caltrain rail service and to support the operating and capital needs required to implement the Long-Range Service Vision adopted by the Board as part of the Caltrain Business Plan. The revenue from Measure RR in FY23 was $121.6 million, with FY24 projected to be about $119.3 million, a decline of about 2% due to high interest rates and more cautionary consumer spend.

As shown in Chart 4, Measure RR sales tax revenue growth for San Francisco, San Mateo, and Santa Clara Counties started strong in 2022, with all three counties showing increases of nearly 10% or $2.8M in 2022 Q4, marked the beginning of the high inflation. Since 2022 Q4, the growth began to decline, and this downward trend continued through most of 2023. In 2023 Q4, San Francisco, San Mateo, and Santa Clara Counties experienced the most significant declines in the recent periods, with San Francisco falling by -6.9%, San Mateo by -1.0%, Santa Clara County by -3.8%, and overall, nearly -4% or $1.3M decline for the region. The recent declines in Measure RR sales tax revenue can be attributed to many economic factors, including protracted high inflation and the interest rate hikes induced by the Federal Reserves, which keep economy on a gradual cooling path.



Caltrain's Citizens Advisory Committee (CAC), in its capacity as the independent oversight committee for the Measure RR sales tax, is responsible for providing information to the taxpayers of the three counties to ensure that the tax proceeds have been expended for the purposes set forth in the Measure RR ballot language. On March 20, 2024, the CAC held a public hearing on the annual Measure RR audit report conducted by Brown Armstrong, Accountancy Corporation, an independent accounting firm. On May 15, 2024, the CAC approved the annual Measure RR report.

Caltrain is heavily reliant on passenger fares to maintain operations, making the service especially vulnerable to a ridership downturn. Farebox revenue was over 70 percent of operating revenue in the years preceding the pandemic. Measure RR allows Caltrain to invest in the operation and expansion of faster, more frequent electrified service with the added capacity necessary to accommodate expected increases in ridership demand in the decades to come. It will also allow the system to advance equity policies to help ensure Caltrain is accessible and affordable to all members of the communities it serves.

Long-Term Financial and Strategic Planning

In 2017, Caltrain launched a Business Plan process that provided a major update to Caltrain's plans, policies, and financial projections given the financial performance of Caltrain at that time. As part of the Business Plan process, in October 2019, the Caltrain Board of Directors unanimously adopted a Long-Range Service Vision for the railroad, which provides high-level policy guidance to evolve the Caltrain corridor and service from a traditional commuter railroad to a regional rail system operating at transit-level frequencies throughout the day.

In fall of 2020, the Caltrain Board of Directors adopted an Equity, Connectivity, Recovery, and Growth Policy Framework to direct Caltrain's focus on pandemic response and recovery in the near-term, while still supporting longer-term progress towards achieving the Service Vision. Caltrain continues to collaborate with its regional partners, in particular the rail operators, to provide a better customer experience and greater value to corridor communities.

Due to lasting impacts of the pandemic on ridership, revenue, and traditional funding sources, Caltrain has continued to face significant financial challenges, including an ongoing structural deficit in its operating budget. In November 2022, Caltrain began the process of developing a Strategic Financial Plan in response to the ongoing impacts of the pandemic on Caltrain's finances. The objective of the Strategic Financial Plan was to forecast Caltrain's operating position over the next ten years while sustaining a competitive and attractive level of service; maintaining a commitment to equity; building ridership by holding fares steady; and completing electrification. A special Board workshop was conducted on April 6, 2023, to present the Strategic Financial Plan, which concluded that Caltrain can effectively manage its operating costs and use its financial resources to delay the fiscal cliff by two years until FY26, but Caltrain still needs significant additional funding to support both operations and its capital investments moving forward. The updated Strategic Financial Plan in June 2024 estimated a cumulative 10-year operating deficit as high as $542 million based on numerous revenue and cost assumptions.

Caltrain continues to review and update the Strategic Financial Plan to assess what changes may be merited given the financial performance of Caltrain since April 2023. Factors that influence the system's projected operating results include, but are not limited to, ridership, Measure RR revenues, service levels, fare policy and pass programs, incremental impacts of electrified service on operating revenues and costs, and cost containment strategies, among other factors. In March 2024, Caltrain hired its first Chief of Commercial and Business Development, charged with overseeing the implementation of the Strategic Financial Plan, among other important responsibilities.

Caltrain's current capital program focuses on maintaining assets in a state-of-good-repair, enhancing the reliability of the system, and delivering electrified service from San Francisco to San Jose in September 2024. The capital program also reflects Caltrain's ongoing planning for the next generation of system improvements that are needed through the fiscal year 2025 timeframe to expand system capacity and continue preparations for the Caltrain/High Speed Rail (HSR) blended system. Caltrain will complete the railroad's first formal 10-year Capital Improvement Plan (CIP) in the third quarter of 2024. The CIP will provide the organization with a roadmap to the agency's investments in capital projects and programs, improve the organization's understanding of Caltrain's long-term funding needs, and support the implementation of new potential funding strategies.

MAJOR INITIATIVES

Caltrain Electrification

PCEP is the most transformative capital investment and operations improvement in Caltrain's history. The project has electrified the Caltrain Corridor from San Francisco's 4th and King Station to approximately Tamien Station. In September 2024, mainline Caltrain service transitioned from diesel-hauled to Electric Multiple Unit (EMU) trains, enabling faster and more frequent zero emission passenger rail service. PCEP includes electrification and other projects that will upgrade the performance, efficiency, capacity, safety, and reliability of Caltrain's service. Electrification provides the foundation for future improvements, including full conversion to a zero-emission fleet, platform and station improvements, the extension of service to Downtown San Francisco, and other projects that allow Caltrain to grow and evolve with the Bay Area.

Battery-Equipped Electric Multiple Unit Train Pilot Project

Caltrain will pilot a first-in-the-nation bi-level dual electric and battery powered train to expand zero-emission service on the South Santa Clara County portion of the corridor. Caltrain received an $80 million award from the California State Transportation Agency (CalSTA) for one battery-equipped electric multiple unit train (BEMU) and the associated R&D so that Caltrain will be operable with zero-emission trains on both electrified service area of the corridor as well as the portion of the corridor from Tamien Station in San Jose to Gilroy that does not yet have overhead electrified lines. The BEMU train, purchased on a contract option with Stadler, will charge while the train runs on overhead power in the electrified service areas and then use battery charge to travel "off-wire" on non-electrified track areas. This will lead the way for Caltrain to operate a fully zero-emission service in the future.

Regional Service Coordination

Caltrain is at the heart of the Peninsula transportation network and collaborates with other Bay Area transit agencies to provide connections between systems. These connections are with the District (SamTrans), the San Francisco Municipal Transportation Agency (SFMTA/Muni), BART, VTA, Capitol Corridor, Altamont Corridor Express (ACE), Dumbarton Express, and the Alameda-Contra Costa Transit District (AC Transit) as follows:

- SamTrans Bus Service: Passengers may connect to SamTrans at most stations in San Mateo County.
- Muni Light Rail and Muni Bus: Passengers may connect to the Muni Light Rail N-Judah and T-Third lines and the Muni Bus lines 30 and 45 across from the San Francisco Caltrain Station.
- BART: Passengers may connect to BART at the Millbrae Transit Center.
- VTA Light Rail: Caltrain passengers may connect to the VTA system at the Mountain View station and the Diridon and Tamien stations in San Jose.
- VTA Bus Service: Passengers may connect to VTA buses at most stations in Santa Clara County.
- Amtrak's Capitol Corridor: Passengers may connect to Caltrain at the San Jose Diridon station.
- ACE: Passengers may connect to Caltrain at the Santa Clara and San Jose Diridon stations.
- Dumbarton Express: Passengers may connect to the DB Express at the Palo Alto station.

In addition to service connectivity, Caltrain is one of the Bay Area transit agencies that is a partner in Clipper, an electronic fare payment card. The program is coordinated by the Metropolitan Transportation Commission, which is the region's planning organization.

State-of-Good-Repair Program

This program includes system-wide, scheduled improvements on infrastructure, tracks, bridges, signal and communication equipment, stations, right-of-way fencing, ticket vending equipment, and preventative maintenance and strategic replacement of the Caltrain rolling stock. In order to ensure these assets are kept in a state-of-good-repair, replacement and rehabilitation of these assets must be done at intervals recommended by industry or manufacturer standards. Failure to maintain this program could lead to higher costs of operating these assets due to higher maintenance costs and operational delays that occur when these assets are out of service or in a state of disrepair.

Projects underway in FY24 include: Guadalupe River Bridge Replacement in San Jose which began construction in FY23, and advanced work on the spans; the San Francisquito Creek Bridge Conceptual Design & Community Engagement, which has been redefined to undertake additional alternative analyses – in FY25, these efforts will focus on working through design alternatives; the Migration to Digital Voice Radio System installed new equipment and developed testing procedures; and the Broadband Wireless Communication System project, which installed equipment on the EMU trains in advance of their launch into revenue service, as well as supporting infrastructure along the alignment.

Rolling stock activities completed in FY23 include various component replacements on locomotives and cars to improve reliability, safety, and customer experience. Of note, a complete mid-life overhaul project is currently in progress on six MP-36-3C locomotives that will remain in service following electrification. Through FY24, all but two vehicles have been overhauled and returned. The final two will be completed in early FY25.

Caltrain Safety Improvements

Caltrain safety improvements include station redesign, grade crossing improvements, construction of grade separations, right-of-way fencing, and closed-circuit camera systems. In addition to these capital projects, Caltrain is improving safety through a focused safety culture development program, safety performance dashboards, roadway worker protection enhancements, and risk-based hazard management.

Ongoing improvements to stations include the demolition of existing narrow center platforms and construction of new platforms, installation of center fencing between the existing mainline tracks through the platform area, and installation of new pedestrian underpasses and/or signalized pedestrian at-grade crossings with pedestrian gates. The South San Francisco Station is an example of such a station project.

The grade crossing improvement program was developed to make grade crossings in San Francisco, San Mateo, and Santa Clara Counties safer for both vehicular and pedestrian traffic. Projects are developed using a hazard analysis tool. Grade crossing improvement projects undertaken in FY24 included: Churchill Avenue in Palo Alto which is making modifications to sidewalks, crossing gates, and signals; San Mateo grade crossings at 4th Ave. and 5th Ave where quad gates and exit gates will be installed; TASI was contracted and has begun working on grade crossing safety enhancement for the following – 16th Street (San Francisco), Mission Bay (San Francisco), East Meadow (Palo Alto), Whipple Ave (Redwood City), and Ravenswood (Menlo Park).

Grade separation projects aim to improve safety by separating vehicle traffic from rail crossings. Caltrain is working with numerous other cities to help plan, design, and eventually construct grade separations at some of the busiest intersections along the rail line. In FY24, those efforts included: the Broadway Burlingame Grade Separation project that progressed towards final design while working to align with budget limitations; the Mountain View Transit Center and Grade Separation project that completed 65% design, and is awaiting City determination on advancement of this project or Rengstorff in light of budget limitations; the Rengstorff Grade Separation project that completed 65% design and began procurement process for a Construction Manager General Contractor (CMGC); South Linden and Scott that continued preliminary design and is working to establish a Service Agreement to advance; the Bernardo Avenue Undercrossing advanced preliminary design; the City of Palo Alto continued contemplation of grade separations at Meadow Drive, Churchill Avenue, and Charleston Drive; the Middle Avenue Undercrossing advanced preliminary design and began procurement for CMGC services; and the following projects which are in the planning stage – Glenwood Ave, Oak Grove, Whipple Avenue, and the North Fair Oaks Bicycle and Pedestrian Crossing.

The safety-fencing project is an ongoing annual project to install high security fencing along the right-of-way to deter trespassing as well as illegal dumping.

The emphasis on safety culture development is evident by the creation of Caltrain's core value: Safety First and Always. Bi-weekly and monthly safety culture messaging; safety moments at all meetings; a Safety Champions program; and development of safety reporting, training, communication, and recognition programs further emphasize safety as our primary core value. Caltrain has also created the Caltrain Executive Safety Committee that meets monthly to ensure compliance to the Caltrain Safety Plan.

A renewed emphasis on data-based decision making has led to the development of Safety Performance dashboards that include both lagging and leading performance indicators, enabling a more proactive approach to safety that will help reduce the chance of injury and damage to property.

Roadway Worker Protection (RWP) has also been a focus in the aftermath of a train collision incident in March 2022. Gaps were discovered in RWP programs that contributed to the San Bruno incident, and Caltrain has closed those gaps through revised RWP training; changed to a safer fouling distance – 10 feet from the rail and 10 feet from the overhead wires; improved processes for issuing track and time protection; and investment in a software based enhanced employee protection system that adds yet another layer of RWP.

Finally, Caltrain has created an enterprise-wide Hazard/Risk Register and Risk Based Hazard Management processes that are being integrated into many Caltrain processes to ensure risk is being considered in prioritization and decision making across all departments.

FUTURE OF CALTRAIN – SYSTEM EXPANSION AND CONNECTIONS

Prior to California High Speed Rail's (CHSRA) anticipated arrival, additional system upgrades must also be planned, funded, and constructed to enable a blended system These include high-speed rail station modifications and the Transbay Joint Powers Authority's (TJPA) rail extension from the Caltrain 4th and King station to the new Salesforce Transit Center in downtown San Francisco. The blended system may also necessitate passing tracks that allow high-speed rail trains to bypass the Caltrain trains; grade crossing upgrades, including potential grade separations; a storage and maintenance facility; and other system upgrades such as expanded platforms that allow for longer trains and level boarding.

Caltrain, in partnership with VTA, the City of San Jose, MTC, and CHSRA is developing a Diridon Station Business Case to prepare for the transformation of San Jose's downtown transit hub. Diridon Station is an integral part of California's transportation network, currently serving Caltrain, Capitol Corridor, Altamont Corridor Express (ACE), Amtrak intercity passenger rail, and VTA light rail and bus service. The station must accommodate future expanded services in the region, including CHSRA and BART. The Business Case is developing alternatives for station reconfiguration, expansion, and upgrades to provide adequate capacity, functionality, and connectivity for customers. Caltrain, with our Diridon Station partners, will work with the community to select a preferred station alternative for environmental clearance in the coming years.

Prior to the onset of the pandemic, Caltrain operated 92 diesel locomotive-hauled trains per day on weekdays between San Francisco and San Jose with limited service further south to Gilroy. In the peak period, it operated 5 trains per peak hour per direction. The railroad expanded service to 104 trains per day at the end of August 2021 with an emphasis on more frequent service during off-peak and evening hours, with 4 trains per hour per direction in the peak periods. In September 2024, with the completion of PCEP, Caltrain implemented a new 104 trains per weekday schedule with trains every 30 minutes during midday and evening periods, more than doubling the number of stations with 15 to 20 minutes service during peak hours, and faster travel times for all customers. Weekend service doubled from hourly to half-hourly. The FTA Full Funding Grant Agreement for PCEP required service levels of 114 trains per weekday. Caltrain will continue to operate at 104 trains per weekday under an FTA waiver which will last until the earlier of December 31, 2027, or the date the railroad achieves an average weekday ridership level of 63,598 trips, which was the 2019 pre-pandemic average. If Caltrain has not achieved this goal by December 31, 2027, it may request and extension of the waiver.

As discussed above, the Long-Range Service Vision (Service Vision) was adopted by the JPB to guide the long-range development of the Caltrain rail service and supporting plans, policies, and projects. The Service Vision was based on detailed technical analysis undertaken by Caltrain and its partner agencies as part of the Caltrain Business Plan process. The Service Vision directs the railroad to plan for substantially expanded rail service that in the long-term will address the local and regional mobility needs of the corridor while supporting local economic development activities. When fully realized, this service will provide:

- A mixture of express and local services operated in an evenly spaced, bidirectional pattern.
- Accommodation of California High Speed Rail, Capitol Corridor, Altamont Corridor Express, and freight services in accordance with the terms of existing agreements.
- Incremental development of corridor projects and infrastructure.
- Continued planning for a potential “higher” growth level of service as well as potential new regional and mega-regional connections.

The Service Vision will be periodically reaffirmed to ensure that it continues to provide relevant and useful guidance to the railroad. Such reaffirmations will occur in regular intervals of no less than five years and in response to significant changes to JPB or partner projects that materially influence the substance of the Service Vision.

FINANCIAL POLICIES

The JPB uses a comprehensive set of internal and board adopted financial policies. These policies address items such as cash management, reserves, and debt management. The policies are reviewed regularly by staff and are brought to the Board for amendment and/or re-adoption as necessary.

AWARDS AND ACKNOWLEDGMENTS

Caltrain staff and its contracted service providers bring an effective combination of skill, experience and dedication to carrying out the agency's mission. Together, they plan, develop, and finance the creation of a modern, coordinated multimodal transportation system offering convenient access to the many areas of the Bay Area and beyond.

The Government Finance Officers Association (GFOA) recognized the JPB's 2023 Annual Comprehensive Financial Report for excellence in financial reporting and the Certificate of Achievement appears immediately following this transmittal letter. To be awarded a certificate, a report must be easy to read and efficiently organized, while satisfying both generally accepted accounting principles and applicable legal requirements. We believe our 2024 Annual Comprehensive Financial Report also meets the requirements for a Certificate of Achievement and have submitted it to the GFOA for evaluation. We would like to thank our independent audit firm, Brown Armstrong Accountancy Corporation, for its timely and expert guidance in this matter.

The Annual Comprehensive Financial Report requires the dedicated effort of many individuals working together as a team. We would like to extend our grateful recognition to all the individuals who assisted in both the preparation of this report and the processing of financial transactions throughout the fiscal year. Finally, we wish to thank the Board of Directors for their interest and support in the development of a reliable financial management and reporting system.

Respectfully submitted,

Michelle Bouchard
Executive Director

Kate Jordan Steiner
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Peninsula Corridor Joint Powers Board
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

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Steve Heminger, Vice Chair

Monique Zmuda

Shamann Walton

Representing San Mateo County Transit District:

Jeff Gee

Rico E. Medina

Ray Mueller

Representing Santa Clara Valley Transportation Authority:

Devora "Dev" Davis, Chair

Margaret Abe-Koga

Pat Burt

EXECUTIVE DIRECTOR

Michelle Bouchard

EXECUTIVE OFFICERS

Robert Barnard, Deputy Chief, Design and Construction

Dahlia Chazan, Chief, Caltrain Planning

Tabby Davenport, Director, Safety and Security

Emily Beach, Chief Communications Officer

John Hogan, Chief Operating Officer, Rail

Kate Jordan Steiner, Chief Financial Officer

Nate Kramer, Chief People & Culture Officer

Mehul Kumar, Chief Information & Technology Officer

Michael Meader, Chief Safety Officer

Margaret Tseng, Executive Officer, Acting District Secretary

Pranaya Shrestha, Chief Officer, Caltrain Planning, CalMod

Casey Fromson, Chief of Staff

Li Zhang, Chief of Commercial and Business Development

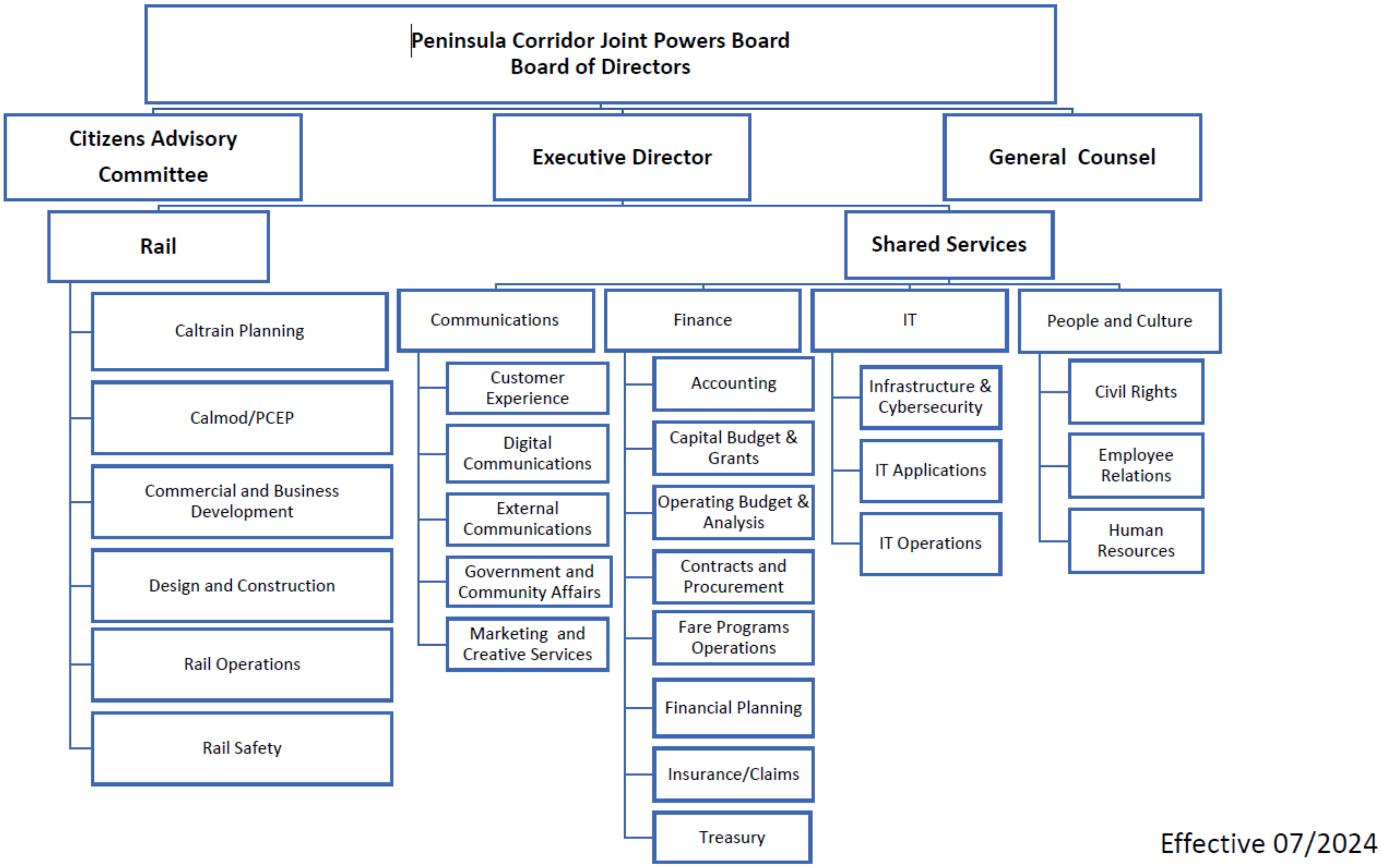
GENERAL COUNSEL

Olson Remcho, LLP

James Harrison, Esq.

PENINSULA CORRIDOR JOINT POWERS BOARD

ORGANIZATION CHART



MAP


Pacific Ocean
San Francisco
Oracle Park
Chase Center
22nd St.
Bayshore
San Bruno
South San Francisco
San Bruno
Millbrae Transit Center
SFO
San Francisco International Airport
Broadway Weekend Only
Burlingame
San Mateo
San Francisco Bay
Hayward Park
Hillsdale
Belmont
San Carlos
Redwood City
Menlo Park
Palo Alto
Stanford Special Event Only
California Ave.
San Antonio
Mountain View
Orange
Sunnyvale
Lawrence
Levi's® Stadium
SJC San Jose International Airport
Santa Clara
PayPal Park
College Park
San Jose Diridon
SAP Center
Tamien
Capitol
Blossom Hill
Morgan Hill
San Martin
Gilroy
Distance between Blossom Hill and Gilroy not to scale
ZONE 1
ZONE 2
ZONE 3
ZONE 4
ZONE 5
ZONE 6
N

TABLE OF CREDITS

The following individuals contributed to the production of the fiscal year 2024 Annual Comprehensive Financial Report:

Finance:

Chief Financial Officer	Kate Jordan Steiner
Director, Accounting	Annie To
Manager, Financial Reporting	Danny Susantin, CPFO
Manager, Treasury Debt & Investment	Kevin Beltz, CPFO

Audit Firm:

Brown Armstrong Accountancy Corporation	
Partner	Ryan L. Nielsen, CPA
Manager	Melissa L. Cabezzas, CPA

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Section II

FINANCIAL

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements:

- Statements of Net Position
- Statements of Revenues, Expenses, and Changes in Net Position
- Statements of Cash Flows
- Notes to the Financial Statements

Supplementary Information

- Supplementary Schedule of Revenues and Expenses – Comparison of Budget to Actual (Budgetary Basis)
- Notes to Supplementary Schedule

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Peninsula Corridor Joint Powers Board
San Carlos, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Peninsula Corridor Joint Powers Board (JPB) as of and for the fiscal years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the JPB's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the JPB, as of June 30, 2024 and 2023, and the respective changes in financial position, and cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the JPB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the JPB's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the JPB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the JPB's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the JPB's basic financial statements. The accompanying supplementary schedule of revenues and expenses – comparison of budget to actual (budgetary basis) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedule of revenues and expenses – comparison of budget to actual (budgetary basis) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024, on our consideration of the JPB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the JPB's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the JPB's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 13, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Peninsula Corridor Joint Powers Board's (JPB) financial performance provides an overview of the JPB's activities for the fiscal year ended June 30, 2024, with comparisons to prior fiscal years ended June 30, 2023, and June 30, 2022. We encourage readers to consider the information presented here in conjunction with the transmittal letter contained in the Introductory Section and with the statements and related notes contained in the Financial Section.

FINANCIAL HIGHLIGHTS

- At June 30, 2024, the JPB's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $3,911.0 million (net position). Of this amount, $352.5 million represents unrestricted net position, which may be used to meet the JPB's ongoing obligations. At June 30, 2023, the JPB's assets exceeded its liabilities and deferred inflows of resources by $3,446.3 million. Of this amount, $141.8 million represents unrestricted net position.
- The JPB's total net position increased by $464.7 million and $217.9 million in fiscal years 2024 and 2023, respectively, mainly because of capital contributions.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Section of this report presents the JPB's financial statements as two components: basic financial statements and notes to the financial statements. It also includes supplementary information.

Basic Financial Statements

The *Statement of Net Position* presents information on assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as *net position*. Changes in net position over time may provide an indicator as to whether the financial position of the JPB is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* reports how net position has changed during the fiscal year. It compares related operating revenues and operating expenses connected with the JPB's principal business of providing rail service. Operating expenses include the cost of direct services to passengers, administrative expenses, contracted services, and depreciation on capital assets. All other revenues and expenses are reported as nonoperating.

The *Statement of Cash Flows* reports inflows and outflows of cash, classified into four major categories:

- *Cash flows from operating activities* include transactions and events reported as components of operating income in the statement of revenues, expenses, and changes in net position.
- *Cash flows from noncapital financing activities* include operating grant proceeds and operating subsidy payments from third parties as well as other nonoperating items.
- *Cash flows from capital and related financing activities* include the borrowing and repayment (principal and interest) of capital-related debt, the acquisition and construction of capital assets, and the proceeds of capital grants and contributions.
- *Cash flows from investing activities* include proceeds from the sale of investments, receipt of interest, and changes in the fair value of investments subject to reporting as cash equivalents. Outflows in this category include the purchase of investments.

Notes to the Financial Statements

Various notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and are found immediately following the financial statements to which they refer.

Other Information

This report also presents certain *supplementary* information concerning compliance with the JPB's annual budget. This *supplementary* information, as well as associated notes, can be found immediately following the *basic financial statements* and the accompanying notes.

Analysis of Basic Financial Statements

Total assets increased by $500.1 million or 13.0% to $4,335.1 million at June 30, 2024, compared to June 30, 2023, and increased by $93.8 million or 2.5% at June 30, 2023, compared to June 30, 2022. The increase for fiscal year 2024 was mainly due to activities in construction in progress and due from other governmental agencies. The increase for fiscal year 2023 was mainly due to activities in construction in progress. Current assets increased by $222.0 million or 74.3% to $520.8 million in fiscal year 2024. In fiscal year 2023, current assets decreased by $204.2 million or 40.6% compared to fiscal year 2022. The increase for fiscal year 2024 was due to an increase in cash and cash equivalents and due from other governmental agencies. The decrease for fiscal year 2023 was due to decreases in cash and cash equivalents and restricted investment with fiscal agents.

Total capital assets, net of accumulated depreciation and amortization increased by $278.2 million or 7.9% at June 30, 2024, to $3,814.2 million from $3,536,.1 million on June 30, 2023, and increased by $298.0 million or 9.2% from $3,238.1 million at June 30, 2023, compared to June 30, 2022. Investments in capital assets, before depreciation and amortization, consist of acquisitions and improvements to the right-of-way ($1,439.6 million or 28.5%), rail vehicles ($339.5 million or 6.7%), facilities and equipment ($148.8 million or 2.9%), office equipment ($13.8 million or 0.3%), intangible asset – trackage rights ($8.0 million or 0.2%), right-to-use lease assets ($4.5 million or 0.1%), and construction in progress ($3,102.9 million or 61.4%) in fiscal year 2024.

In fiscal year 2023, investments in capital assets, before depreciation and amortization, consist of acquisitions and improvements to the right-of-way ($1,439.5 million or 30.5%), rail vehicles ($338.4 million or 7.2%), facilities and equipment ($149.5 million or 3.1%), office equipment ($13.8 million or 0.3%), intangible asset – trackage rights ($8.0 million or 0.2%), right-to-use lease assets ($1.9 million or 0.0%), and construction in progress ($2,775.1 million or 58.8%).

Total deferred outflows of resources decreased by $1.0 million to $0.0 million at June 30, 2024, compared to June 30, 2023. The fiscal year 2024 decrease was due to a decrease in unrealized loss related to fuel-hedge derivatives.

Total liabilities increased by $34.6 million or 9.0% to $417.2 million at June 30, 2024, compared to June 30, 2023, and decreased by $127.8 million or 25.0% to $382.6 million at June 30, 2023, compared to June 30, 2022. The fiscal year 2024 increase was mainly due to an increase in the revolving credit. The fiscal year 2023 decrease was mainly due to a decrease in the revolving credit facility and accounts payable and accrued liabilities offset by an increase in unearned revenue.

Total deferred inflows of resources decreased by $0.2 million or 2.5% at June 30, 2024, to $6.9 million from $7.0 million on June 30, 2023, and increased by $4.7 million or 199.1% from $2.4 million at June 30, 2022. The fiscal year 2024 decrease was due to a decrease in leases. The fiscal year 2023 increase was due to an increase in leases.

Total net position was $3,911.0 million at June 30, 2024, which represents an increase of $464.7 million or 13.5% from June 30, 2023, and $3,446.3 million at June 30, 2023, which represents an increase of $217.9 million or 6.7% from June 30, 2022. The increase was largely due to capital contributions received associated with the Caltrain electrification project. Net investment in capital assets was $3,558.5 million at June 30, 2024, representing 91.0% of the total net position; $3,304,5 million at June 30, 2023, representing 95.9% of total net position; and $2,947.8 million at June 30, 2022, representing 91.3% of total net position. The JPB's net investment in capital assets represents right-of-way improvements, rail vehicles, lease assets, and facilities and equipment, less any related outstanding debt that was used to acquire those assets. The JPB uses these capital assets to provide a variety of services to its customers. Accordingly, these assets are not available for future spending. Although the JPB's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balances of $352.5 million, $141.8 million, and $280.6 million were unrestricted at June 30, 2024, 2023, and 2022, respectively, and may be used to meet the JPB's ongoing obligations to its citizens and creditors.

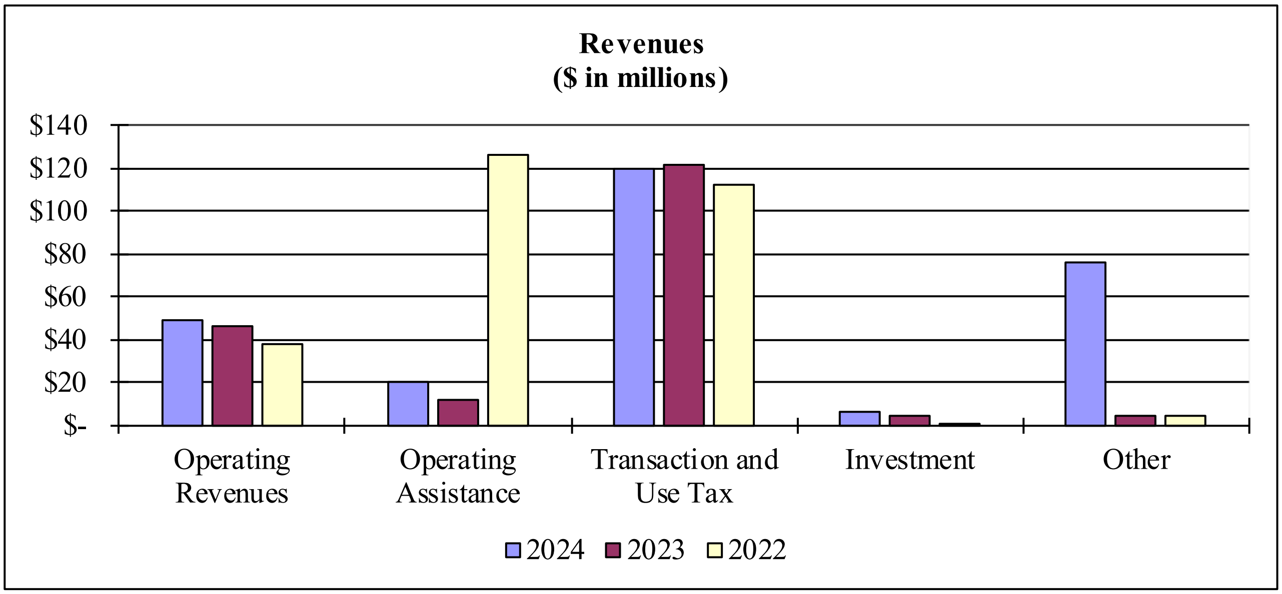
NET POSITION
(in thousands)

	2024	2023	2022
Assets:			
Current assets	$ 520,808	$ 298,846	$ 503,067
Capital assets, net of depreciation/amortization	3,814,244	3,536,086	3,238,071
Total assets	4,335,052	3,834,932	3,741,138
Deferred outflows of resources:			
Derivatives	-	977	-
Total deferred outflows of resources	-	977	-
Liabilities:			
Current liabilities	194,855	158,855	285,008
Long-term liabilities	222,364	223,754	225,412
Total liabilities	417,219	382,609	510,420
Deferred inflows of resources:			
Derivatives	40	-	1,826
Leases	6,816	7,031	525
Total deferred inflows of resources	6,856	7,031	2,351
Net position:			
Net investment in capital assets	3,558,514	3,304,463	2,947,760
Unrestricted	352,463	141,806	280,607
Total net position	$ 3,910,977	$ 3,446,269	$ 3,228,367

Revenue Highlights

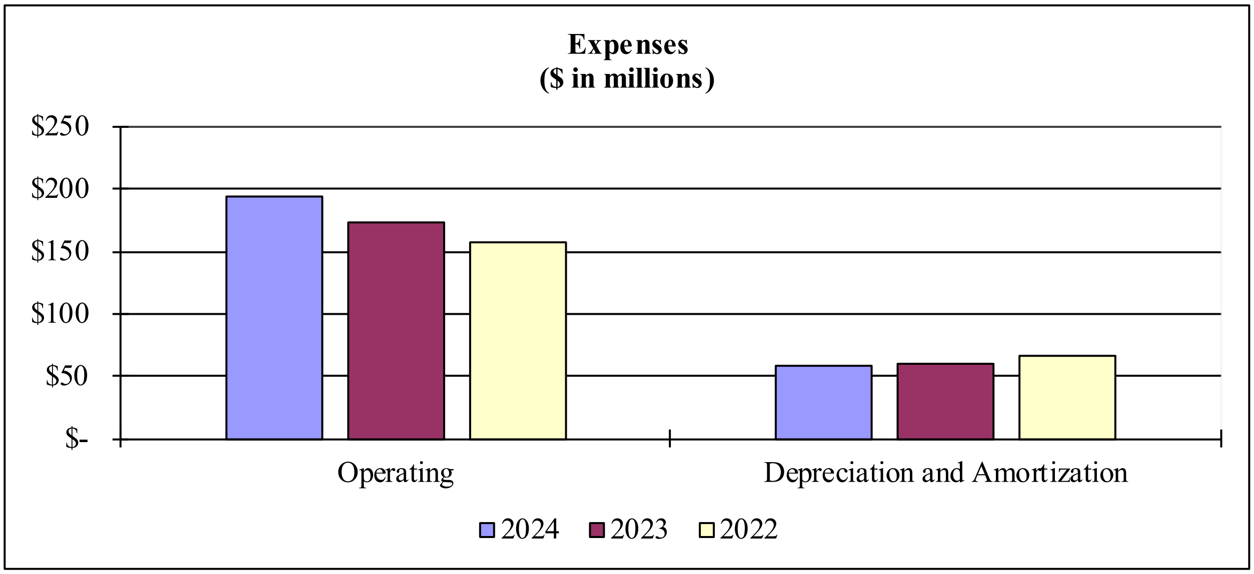
Operating revenues increased to $49.7 million in fiscal year 2024, a $3.1 million or 6.6% increase from fiscal year 2023 and increased to $46.7 million in fiscal year 2023, a $9.0 million or 23.8% increase from fiscal year 2022. The increase in fiscal year 2024 was mostly due to an increase in passenger fares. The increase in fiscal year 2023 was mostly due to an increase in passenger fares.

Nonoperating revenues increased by $80.4 million or 56.4% to $222.9 million at June 30, 2024, compared to June 30, 2023, and decreased by $101.3 million or 41.6% in fiscal year 2023 compared to fiscal year 2022. The increase in fiscal year 2024 was mainly due to other income. The decrease in fiscal year 2023 was mainly due to the federal, state, and local operating assistance.



Expense Highlights

Total operating expenses of $194.2 million in fiscal year 2024 were $20.9 million or 12.1% higher than fiscal year 2023, and in fiscal year 2023, $16.2 million or 10.3% higher than fiscal year 2022. The total expense increase in fiscal year 2024 was mostly due to increases in contract services, insurance, and wages and benefits. The total expense increase in fiscal year 2023 was mostly due to increases in contract services and insurance. Depreciation and amortization for fiscal year 2024 was $57.8 million, a $2.8 million or 4.5% decrease over fiscal year 2023. In fiscal year 2023, depreciation and amortization were $60.6 million, a $5.1 million or 7.8% decrease over fiscal year 2022. The decrease in depreciation and amortization expenses in fiscal year 2024 was due to less assets capitalized and depreciated.



CHANGES IN NET POSITION
(in thousands)

	2024	2023	2022
Operating revenues:			
Passenger fares	$ 46,896	$ 43,330	$ 33,236
Parking, shuttle, and pass revenues	2,299	2,239	2,778
Advertising	232	821	412
Other	315	275	1,268
Total operating revenues	49,742	46,665	37,694
Operating expenses:			
Contract services	128,756	117,289	108,946
Insurance	16,480	11,855	6,148
Fuel	15,440	15,995	13,491
Parking, shuttle, and pass expenses	1,577	1,507	3,254
Professional services	3,081	2,445	2,944
Wages and benefits	18,113	14,063	11,356
Utilities and supplies	3,254	2,836	5,118
Maintenance services	1,059	773	609
Temporary services, rent, and other	6,478	5,808	5,298
Debt fees	-	716	-
Total operating expenses	194,238	173,287	157,164
Operating loss before depreciation and amortization	(144,496)	(126,622)	(119,470)
Depreciation and amortization	(57,830)	(60,582)	(65,656)
Operating loss	(202,326)	(187,204)	(185,126)
Nonoperating revenues (expenses)			
Federal, state, and local operating assistance	20,646	11,644	126,118
Transaction and use tax	119,614	121,645	112,620
Rental income	1,605	1,300	1,237
Investment income	6,426	4,838	679
Nonoperating expenses	(2,252)	(2,351)	(2,210)
Expense for noncapitalized projects	(40,902)	(31,059)	(19,954)
Other income	74,610	3,059	3,172
Total nonoperating revenues (expenses)	179,747	109,076	221,662
Net income (loss) before capital contributions	(22,579)	(78,128)	36,536
Capital contributions	487,287	296,030	468,612
Change in net position	464,708	217,902	505,148
Net position - beginning of year	3,446,269	3,228,367	2,723,219
Net position - end of year	$ 3,910,977	$ 3,446,269	$ 3,228,367

Capital Program

The JPB incurred capital expenses of $322.9 million and recognized related revenue in the form of capital contributions of $487.3 million in fiscal year 2024, which was a $191.3 million or 64.6% increase in capital contributions in fiscal year 2024 over fiscal year 2023. The fiscal year 2024 capital sources mainly consisted of federal grants ($112.5 million or 23.1%), state grants ($325.7 million or 66.8%), and local assistance including the three member agencies ($49.1 million or 10.1%). The JPB incurred capital expenses of $356.4 million and recognized related revenue in the form of capital contributions of $296.0 million in fiscal year 2023, which was a $172.6 million or 36.8% decrease in capital contributions in fiscal year 2023 over fiscal year 2022. The JPB's capital contributions are comprised of federal grants, state grants, and local assistance including the member agencies which are on a reimbursement basis and therefore tied to the related capital expenses. The reason for the increase in fiscal year 2024 was due to more activities on Peninsula Corridor Electrification projects. The reason for the decrease in fiscal year 2023 compared to fiscal year 2022 was due to less activities on right-of-way improvement projects.

Following is a summary of the JPB's major capital expenses for fiscal year 2024:

- Peninsula Corridor Electrification program ($237.5 million)
- Caltrain modernization program ($32.7 million)
- Grade crossing improvements and separations ($18.4 million)
- Communications ($17.8 million)
- Bridge improvements ($15.9 million)

Additional information about the JPB's capital activities appears in Note 6 – Capital Assets in the notes to the financial statements.

Debt

At the end of fiscal year 2024, the JPB had $50.57 million in outstanding 2019 Series A Farebox Revenue bonds, including the unamortized premium, $1.5 million less than the bonds outstanding at the end of fiscal year 2023. In February 2019, the JPB issued $56,218,000 in 2019 Series A Farebox Revenue Bonds; this issuance used $24,087,000 of the proceeds to fully pay and legally defease the 2007 Series A Farebox Revenue Bonds and used $11,363,000 to fully payoff the 2015 Series A Farebox Revenue Bonds. In addition, $20,768,000 of the proceeds were used for building acquisitions. Principal on the 2019 Series A Farebox Revenue Bonds is payable on October 1, 2021, and annually thereafter on October 1, of each year through 2049.

At the end of fiscal year 2024, the JPB had $169.6 million in outstanding 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified), $1.1 million less than the bonds outstanding at the end of fiscal year 2023. In February 2022, the JPB issued $140,000,000 in 2022 Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) Series A along with a premium of $32,179,642. $150,463,899 of the proceeds are allocated to certain improvements to the Caltrain system, including electrification; $21,000,000 of the proceeds were set aside to fund capitalized interest costs of the bonds. Principal on the 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) is payable on June 1, 2025, and annually thereafter on June 1 of each year through 2051.

More information regarding the JPB's long-term debt activity can be found in Note 9 – Revenue Bonds Payable in the notes to the financial statements.

Economic Factors and Next Year's Budget

The JPB Board of Directors (Board) approved the Fiscal Year 2025 Operating Budgets on June 1, 2023. The Fiscal Year 2025 Operating Budgets continue to support a high level of service and reliability that the community has come to expect from Caltrain, as it makes every effort to control costs.

The Fiscal Year 2025 Operating Budgets consist of $208.7 million and $238.1 million in revenues and expenses, respectively. The major components of revenue include operating revenue of $63.7 million, primarily from Caltrain fares, Go Pass, and other income, and $145.1 million in contributed revenue, which mainly includes Measure RR funds, State Transit Assistance formula funds, Low-Carbon Transit Operations Program funds, and State Rail Assistance funds. Operating expenses are projected to be $190.2 million with the Rail Operator Contract, Overhead Contact System and Traction Power System maintenance, electricity for electric trains, security service costs, fuel costs, facilities and equipment maintenance costs, utility costs, insurance, claims, and reserves costs making up a significant part of the budget. Administrative expenses are projected to be $40.1 million.

The Fiscal Year 2025 Capital Budget was also approved on June 1, 2023, and amended on August 1, 2024. The $132.7 million Capital Budget consists primarily of critical infrastructure and equipment state-of-good-repair (SOGR), operational improvements, grade separations, electrification, and planning. The fiscal year 2025 Capital Budget will be funded by federal, state, regional, and local grants as well as funds provided by the member agencies and others. The adopted budget includes $15.0 million contributions from the member agencies.

Some of the highlights of the capital budget include:

- Guadalupe Bridges Replacement.
- Burlingame Broadway Grade Separation.
- San Mateo Parking Track OCS.
- South Linden Ave & Scott St Grade Separation.
- Rail Activation Start Up: Overhead Catenary System Improvements.
- Rail Activation Start Up: Maintenance of Way.
- CCTV Phase 1.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the JPB's finances and to demonstrate accountability for the funds it manages. Please direct any questions about this report or requests for additional information about the JPB's finances to: Peninsula Corridor Joint Powers Board, Attn: Chief Financial Officer, 1250 San Carlos Avenue, San Carlos, California 94070-1306.

BASIC FINANCIAL STATEMENTS

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENTS OF NET POSITION (in thousands)
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS:		
Current assets:		
Cash and cash equivalents (Note 3)	$ 90,906	$ 22,980
Restricted cash (Note 3)	134,086	6,505
Total cash and cash equivalents	224,992	29,485
Due from other governmental agencies	190,983	169,431
Receivables - transaction and use tax	20,797	20,886
Receivables from member agencies (Note 16)	31,740	22,113
Accounts receivable - other, net of allowance	15,348	10,640
Lease receivable	6,995	7,105
Inventory	9,653	8,291
Prepaid items	1,398	2,386
Commodity derivative contracts	270	778
Restricted investments with fiscal agents (Note 3)	18,632	27,731
Total current assets	520,808	298,846
Noncurrent assets:		
Capital assets:		
Depreciable (Note 6)		
Right-of-way improvements	1,202,363	1,202,236
Rail vehicles	339,502	338,413
Facilities and equipment	148,840	145,879
Office equipment	13,817	13,765
Less accumulated depreciation	(1,242,918)	(1,186,380)
Depreciable assets, net	461,604	513,913
Nondepreciable		
Construction in progress (Note 2L)	3,102,854	2,775,062
Right-of-way (Note 6)	237,254	237,254
Intangible assets - trackage rights (Note 6)	8,000	8,000
Nondepreciable assets	3,348,108	3,020,316
Right-to-use lease assets, net (Note 6)	4,532	1,857
Total noncurrent assets	3,814,244	3,536,086
Total assets	4,335,052	3,834,932
DEFERRED OUTFLOWS OF RESOURCES:		
Derivatives (Note 12)	-	977
Total deferred outflows of resources	-	977

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF NET POSITION (in thousands) (Continued)
JUNE 30, 2024 AND 2023

	2024	2023
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued liabilities	83,562	72,140
Interest payable	1,079	1,150
Self-insurance claims liabilities (Note 10)	3,430	2,274
Unearned member contributions (Note 16)	23,170	28,979
Unearned revenue	29,831	29,785
Revolving credit facility (Note 17)	46,700	20,964
Current portion of long-term debt (Note 9)	5,234	2,609
Current portion of lease liabilities (Note 15)	1,790	899
Other	59	55
Total current liabilities	194,855	158,855
Noncurrent liabilities:		
Self-insurance claims liabilities - long-term (Note 10)	4,294	2,572
Revenue bonds payable - long-term (Note 9)	214,930	220,162
Lease liabilities - long-term (Note 15)	3,140	1,020
Total noncurrent liabilities	222,364	223,754
Total liabilities	417,219	382,609
DEFERRED INFLOWS OF RESOURCES:		
Derivatives (Note 12)	40	-
Leases	6,816	7,031
Total deferred inflows of resources	6,856	7,031
NET POSITION:		
Net investment in capital assets	3,558,514	3,304,463
Unrestricted	352,463	141,806
Total net position	$ 3,910,977	$ 3,446,269

The accompanying notes are an integral part of the financial statements.

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(in thousands)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
OPERATING REVENUES:		
Passenger fares	$ 46,896	$ 43,330
Parking, shuttle, and pass revenues	2,299	2,239
Advertising	232	821
Other	315	275
Total operating revenues	49,742	46,665
OPERATING EXPENSES:		
Contract services (Note 13A)	128,756	117,289
Insurance	16,480	11,855
Fuel	15,440	15,995
Parking, shuttle, and pass expenses	1,577	1,507
Professional services	3,081	2,445
Wages and benefits	18,113	14,063
Utilities and supplies	3,254	2,836
Maintenance services	1,059	773
Temporary services, rent, and other	6,478	5,808
Debt fees	-	716
Total operating expenses before depreciation and amortization	194,238	173,287
Depreciation and amortization	57,830	60,582
Total operating expenses	252,068	233,869
Operating loss	(202,326)	(187,204)
NONOPERATING REVENUES (EXPENSES):		
Federal, state, and local operating assistance (Note 7)	20,646	11,644
Transaction and use tax	119,614	121,645
Rental income	1,605	1,300
Investment income	6,426	4,838
Interest expense	(2,252)	(2,351)
Expense for noncapitalized projects	(40,902)	(31,059)
Other income	74,610	3,059
Total nonoperating revenues (expenses), net	179,747	109,076
Income (Loss) before capital contributions	(22,579)	(78,128)
Capital contributions (Note 11)	487,287	296,030
Change in net position	464,708	217,902
NET POSITION:		
Beginning of year	3,446,269	3,228,367
End of year	$ 3,910,977	$ 3,446,269

The accompanying notes are an integral part of the financial statements.

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENTS OF CASH FLOWS (in thousands)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 45,035	$ 39,500
Rent and other cash receipts	76,214	4,360
Payments to vendors for services	(172,131)	(160,073)
Payments to employees	(18,115)	(14,063)
Net cash used for operating activities	(68,997)	(130,276)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating grants received	20,646	11,644
Transaction and use tax	119,704	122,377
Net cash provided by noncapital financing activities	140,350	134,021
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(361,555)	(449,074)
Capital contributions from grants	450,344	287,647
Proceeds from (payments on) the revolving credit facility	25,736	(74,752)
Payment of capital debt	(3,508)	(3,180)
Interest paid on capital debt	(2,323)	(2,366)
Proceeds from leases	(64)	-
Net cash provided by (used for) capital and related financing activities	108,630	(241,725)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment	9,098	56,712
Investment income received	6,426	4,838
Net cash provided by investing activities	15,524	61,550
Net increase (decrease) in cash and cash equivalents	195,507	(176,430)
Cash and cash equivalents, beginning of year	29,485	205,915
Cash and cash equivalents, end of year	$ 224,992	$ 29,485

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (in thousands) (Continued)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Operating loss	$ (202,326)	$ (187,204)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation and amortization	57,830	60,582
Rent and other cash receipts	76,214	4,288
Effect of changes in:		
Receivables	(4,709)	(7,096)
Prepaid items	988	(2,386)
Inventory	(1,362)	(207)
Commodity derivative contracts	1,486	1,091
Accounts payable and accrued liabilities	4	(1)
Claims liabilities	2,878	657
Net cash used for operating activities	$ (68,997)	$ (130,276)
NONCASH INVESTING AND CAPITAL ACTIVITIES:		
Change in fair value of investments	$ 40	$ (977)
Noncash capital contributions	-	-
Net noncash investing and capital activities	$ 40	$ (977)

The accompanying notes are an integral part of the financial statements.

INDEX TO THE NOTES ***Pages***

Notes are essential to present fairly the information contained in the overview level of the basic financial statements. Narrative explanations are intended to communicate information that is not readily apparent or cannot be included in the statements and schedules themselves, and to provide additional disclosures as required by the Governmental Accounting Standards Board.

NOTE 1 – ORGANIZATION

In 1987, representatives of the City and County of San Francisco (CCSF), the San Mateo County Transit District (District), and the Santa Clara Valley Transportation Authority (VTA) formed the Peninsula Corridor Joint Powers Board (JPB) to plan for the full transfer of administrative and financial responsibility for the Caltrain rail service from the State of California to the local level. In October 1991, a Joint Powers Agreement (Agreement) signed by the three parties (Member Agencies) stipulated the JPB membership and powers, specified financial commitments for each member, and detailed other administrative procedures, including designating the District as the Managing Agency.

The JPB acquired the rail corridor right-of-way between San Francisco and San Jose (Mainline) and perpetual trackage rights between San Jose and Gilroy (Gilroy Extension) from Southern Pacific Transportation Company in December 1991, with contributions provided by the District, the San Mateo County Transportation Authority, VTA for Gilroy trackage rights only, and the California Transportation Commission. The JPB holds title to the Mainline located in all three counties. Because the District advanced an initial contribution in the amount of $82 million on behalf of all the Member Agencies to complete the funding package to acquire the right-of-way, the JPB and the District are currently tenants in common as to all right-of-way property located in San Mateo County. However, pursuant to a memorandum of understanding (MOU) between the JPB and the Member Agencies executed in 2022, the District is required to convey its interest in the right-of-way to the JPB upon payment by the Metropolitan Transportation Commission to the District of $19.6 million. The District received these funds in full in September 2023.

Under a 2008 agreement between the JPB and the three Member Agencies, the District is authorized to serve as Managing Agency of the JPB until it no longer chooses to do so. The District continues to serve as Managing Agency, as modified by the 2022 MOU, which transfers some authority to the JPB.

The JPB assumed an expanded role in July 1992 as the State of California Department of Transportation (Caltrans) and the District coordinated the transfer of Caltrain operations and administration to the JPB. The JPB selected the National Railroad Passenger Corporation (Amtrak) as the contract operator, and Amtrak operated the rail service from July 1, 1992, through May 25, 2012. TransitAmerica Services, Inc., (TASI) assumed operations and maintenance of the service on May 26, 2012.

The JPB is governed by a nine-member Board of Directors (Board) representing the three Member Agencies. The base term of the Agreement establishing the JPB expired in 2001, but the Agreement provides that it continues on a year-to-year basis, with a Member Agency's withdrawal requiring a minimum one-year advance written notice to the JPB and the other Member Agencies.

To enhance public involvement, the JPB established a Citizen Advisory Committee (CAC) composed of three representatives from each of the JPB counties. The CAC's principal function is to assist the JPB by articulating the interests and needs of transit users and potential customers.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The accompanying financial statements include the financial activities of the JPB only.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Implementation of Governmental Accounting Standards Board (GASB) Statements

Effective this Fiscal Year

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2022, or fiscal year 2023/2024. There is no net effect to the financial statements.

GASB Statement No. 99 – *Omnibus 2022*. The requirements of this statement are effective as follows:

- The requirements related to the extension of the use of London Inter-Bank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB Statement No. 34, as amended, and terminology updates related to GASB Statement No. 53 and GASB Statement No. 63 are effective upon issuance.
- The requirements related to leases, public-private and public-public (PPPs), and subscription-based information technology arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

There is no net effect to the financial statements.

GASB Statement No. 100 – *Accounting Changes and Error Corrections*. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. There is no net effect to the financial statements.

Effective in Future Fiscal Years

GASB Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The JPB will implement GASB Statement No. 101 if and where applicable.

GASB Statement No. 102 – *Certain Risk Disclosures.* The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all fiscal years thereafter. The JPB will implement GASB Statement No. 102 if and where applicable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Implementation of Governmental Accounting Standards Board Statements (Continued)

Effective in Future Fiscal Years (Continued)

GASB Statement No. 103 – *Financial Reporting Model Improvements.* The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all fiscal years thereafter. The JPB will implement GASB Statement No. 103 when and where applicable.

C. Basis of Accounting

The JPB accounts for its transactions in a single enterprise fund and maintains its records using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

D. Cash and Cash Equivalents

For purpose of the statement of cash flows, the JPB considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents also include amounts invested in the Local Agency Investment Fund (LAIF) and the San Mateo County Investment Pool (see Note 3).

E. Accounts Receivable – Other

During the course of normal operations, the JPB carries various receivable balances for services and rent. At June 30, 2024 and 2023, the allowances for doubtful accounts included in accounts receivable – other, were $178,945 and $176,769, respectively.

F. Inventories

Inventories consist principally of spare parts that are recorded when purchased and expensed when used. Inventories are stated at average cost which approximates market and are maintained by TASI as part of its contractual agreement.

G. Investments

Investment transactions are recorded on the trade date at fair value. Fair value is defined as the amount that the JPB could reasonably expect to receive for an investment in a current sale from a willing buyer and is based on current market prices.

H. Restricted Investments with Fiscal Agents

Provisions of the JPB's trust agreements related to its farebox and Measure RR transaction and use tax revenue bonds require that certain restricted investments accounts be established. These accounts are held by the fiscal agent and include funds for payment of principal and interest on the farebox and Measure RR transaction and use tax revenue bonds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for the same purpose (e.g., construction projects), the JPB's policy is to use all available restricted resources first before unrestricted resources are utilized.

J. Capital Assets

Capital assets are recorded at historical cost or appraised value. However, donated capital assets are recorded at estimated acquisition value at the date of donation plus ancillary charges, if any. The JPB defines capital assets as assets with a cost greater than $5,000 and an estimated useful life in excess of one year. Donated assets are recorded at acquisition value on the date donated. Major additions and replacements are capitalized. Maintenance repairs and additions of a minor nature are expensed as incurred.

K. Depreciation and Amortization

Depreciation and amortization are calculated using the straight-line method over the following estimated useful lives:

- Right-of-way improvements – 3 to 40 years
- Rail vehicles – 10 to 36 years
- Facilities and equipment – 4 to 35 years
- Office equipment – 3 to 5 years
- Right-to-use lease assets – varies

L. Construction in Progress*

(In thousands)	2024	2023
Caltrain Modernization program	$ 2,664,980	$ 2,394,982
Bridge improvements	33,588	18,379
Rolling stock - purchase/improvements	33,546	32,408
Grade crossing and separations	247,951	229,584
System-wide track improvements	618	263
Station improvements	91,598	87,699
Safety	4,590	3,521
Communications	25,983	8,226
Total Construction in Progress	$ 3,102,854	$ 2,775,062

*In FY 2024, PG&E reimbursed Caltrain $87,586,392 for capital expenses incurred in a prior year and were recorded as a reduction in total Construction in Progress.

Caltrain Modernization program includes purchases of new Electric Multiple Unit (EMU) trains.

M. Bond Issuance Costs

Bond issuance costs are expensed upon the issuance of related debt.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Unearned Member Contributions

Unearned member contributions are the result of advances from the Member Agencies. To the extent that these amounts exceed committed funds (see Note 16), they may be refunded to the Member Agencies or used to offset future required contributions.

O. Unearned Revenue

Unearned revenue represents fares, rents, and state assistance amounts received which have not yet been earned. Advance ticket sales are included as unearned revenue until earned.

P. Member Agency Assistance

Amounts received from Member Agencies for operations are recognized as revenues when operating and administrative expenses are incurred. Amounts received from Member Agencies for acquisition of assets or matching grants are recognized as capital contributions when capital expenses are incurred.

Q. Federal, State, and Local Operating Assistance

Federal, state, and local operating assistance are recorded as revenue when operating expenses are incurred.

R. Wages and Benefits

Personnel costs of the JPB represent the allocated costs of District employees addressing JPB functions in the District's capacity as Managing Agency. Participation in pension plans, compensated absences, and postretirement health care benefits for these employees are administered by the District.

S. Operating/Nonoperating Revenues and Expenses

The JPB distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from directly providing services in connection with the JPB's principal operations of commuter rail service. These revenues are primarily passenger fares and parking, shuttle, and pass revenues. Operating expenses include the cost of sales and services, administrative expenses, contracted services, and depreciation on capital assets. All other revenues and expenses (including member contributions) not meeting this definition are reported as nonoperating revenues and expenses.

T. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

V. Fair Value Measurements

Accounting principles generally accepted in the United States of America provide guidance for determining a fair value measurement for reporting purposes, applying fair value to investments, and disclosures related to a hierarchy established by accounting principles generally accepted in the United States of America. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs include inputs that are directly observable for the investment including quoted prices for similar investments and inputs that are not directly observable but are derived from observable market data through correlation; and Level 3 inputs are significant unobservable inputs.

W. Reclassifications

For the fiscal year ended June 30, 2024, certain classifications have been changed to improve financial statement presentation. For comparative purposes, prior year balances have been reclassified to conform with the fiscal year 2024 presentation.

X. Subsequent Events

Subsequent to the fiscal year ended June 30, 2024, the JPB was awarded new federal grants under the Caltrain State of Good Repair Program and Community Project Funding/Congressionally Directed Spending program administered by the Federal Transit Administration. The awards total was $42,556,690, and the grants period start from September 2024 and ends in June 2029. The purpose of these grants is to fund systemwide track and bridge rehabilitation state of good repair, communication system and signal rehabilitation, Caltrain railcar replacement, and new signal system corridor wide. As the grants were awarded after the fiscal year-end, they are not included in the Schedule of Expenditure of Federal Awards (SEFA) for the fiscal year ended June 30, 2024.

Subsequent events have been evaluated through December 13, 2024, the date these financial statements were available to be issued.

NOTE 3 – CASH AND INVESTMENTS

The JPB's investments are carried at fair value, as required by accounting principles generally accepted in the United States of America. The JPB adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end and includes the effects of these adjustments in income for that fiscal year.

The JPB is in compliance with the Board approved Investment Policy and California Government Code requirements.

The JPB's cash and investments as of June 30 are classified in the statements of net position as follows (in thousands):

	2024	2023
Cash and cash equivalents	$ 90,906	$ 22,980
Restricted cash	134,086	6,505
Restricted investments with fiscal agents	18,632	27,731
Total Cash and Investments	$ 243,624	$ 57,216

	2024	2023
Cash on hand	$ 1	$ 1
Deposits with financial institutions	177,046	28,592
Investments	66,577	28,623
Total Cash and Investments	$ 243,624	$ 57,216

Investments Authorized by the California Government Code and the JPB's Investment Policy

The table below identifies the investment types that are authorized for the JPB by the California Government Code or the JPB's investment policy, when more restrictive, that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the JPB, rather than the general provisions of the JPB's investment policy.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Minimum Credit Rating	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	15 years	100%	N/A
U.S. Agency Securities	None	15 years	100%	N/A
Banker's Acceptances	None	180 days	40%	30%
Commercial Paper ($500 Mil. Min. Assets). Local agencies with less than $100M of investment assets under management may invest no more than 25% of the agency's money in eligible commercial paper	A1/P1/F1	270 days	40%	10%
Negotiable Certificates of Deposit	None	5 years	30%	N/A
Repurchase Agreements	None	1 year	100%	N/A
Reverse Repurchase Agreements	None	92 days	20%	N/A
Medium-term Notes	A	5 years	30%	10%
Shares of beneficial interest issued by diversified management companies	None	N/A	20%	10%
Local Government Investment Pools	None	N/A	100%	N/A
Asset-backed and Mortgage-backed securities	AA	5 years	20%	N/A
Municipal Obligations	None	10 years	100%	N/A
Supranational Obligations	AA	5 years	30%	N/A
Local Agency Investment Fund (LAIF)	None	N/A	None	$75M
San Mateo County Investment Pool	None	N/A	Up to the current state limit	N/A

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California government code or the JPB's investment policy. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years and money market funds.

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk incurred when changes in market interest rates adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the JPB manages its exposure to interest rate risk is by purchasing a combination of short and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

NOTE 3 – CASH AND INVESTMENTS (Continued)

The JPB's weighted average maturity of its investment portfolio at June 30, 2024, was as follows (in thousands):

Investment Type	Amount	Weighted Average Maturity (in years)
LAIF	$ 378	0.59
San Mateo County Investment Pool	585	1.64
CAMP	42,960	0.10
Treasury Bills - RJO'Brien	4,021	0.10
Held by Bond Trustee:		
Money Market Mutual Funds	18,633	-
Total Investment Portfolio	$ 66,577	
Portfolio Weighted Average Maturity		0.13

The JPB's weighted average maturity of its investment portfolio at June 30, 2023, was as follows (in thousands):

Investment Type	Amount	Weighted Average Maturity (in years)
LAIF	$ 337	0.71
San Mateo County Investment Pool	555	1.65
Held by Bond Trustee:		
Money Market Mutual Funds	27,731	-
Total Investment Portfolio	$ 28,623	
Portfolio Weighted Average Maturity		1.29

NOTE 3 – CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the JPB's investment policy, or debt agreements, and the actual rating as of June 30, 2024 and 2023, for each investment type (in thousands):

		Rating as of June 30, 2024		
Investment Type	Amount	S&P Rating AAA	S&P Rating AAA	Not Rated
LAIF	$ 378	$ -	$ -	$ 378
San Mateo County Investment Pool	585	-	-	585
CAMP	42,960	42,960	-	-
Treasury Bills - RJO'Brien	4,021	-	4,021	-
Held by Bond Trustee:				
Money Market Mutual Funds	18,633	18,633	-	-
Total	$ 66,577	$ 61,593	$ 4,021	$ 963

		Rating as of June 30, 2023		
Investment Type	Amount	S&P Rating AAA	S&P Rating AAA	Not Rated
LAIF	$ 337	$ -	$ -	$ 337
San Mateo County Investment Pool	555	-	-	555
Held by Bond Trustee:				
Money Market Mutual Funds	27,731	-	27,731	-
Total	$ 28,623	$ -	$ 27,731	$ 892

Concentration of Credit Risk

The investment policy of the JPB contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The JPB does not have any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent five percent or more of the JPB's total investments at June 30, 2024, or June 30, 2023.

Fair Value Measurements

Fair value measurements are categorized based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical asset assets; Level 2 inputs include inputs that are directly observable for the investment including quoted prices for similar investments and inputs that are not directly observable but are derived from observable market data through correlation; and Level 3 inputs are significant unobservable inputs. Investments in LAIF and the San Mateo County Investment Pool are uncategorized as deposits and withdrawals are made on the basis of $1 and not fair value.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued)

The following is the JPB's fair value hierarchy table as of June 30, 2024 (in thousands):

Investment Type	Total	Level 1 Inputs	Level 2 Inputs	Uncategorized
LAIF	$ 378	$ -	$ -	$ 378
San Mateo County Investment Pool	585	-	-	585
CAMP	42,960	-	42,960	-
Treasury Bills - RJO'Brien	4,021	4,021	-	-
Money Market Mutual Funds	18,633	-	18,633	-
Total Investments by Fair Value Type	$ 66,577	$ 4,021	$ 61,593	$ 963

The following is the JPB's fair value hierarchy table as of June 30, 2023 (in thousands):

Investment Type	Total	Level 1 Inputs	Level 2 Inputs	Uncategorized
LAIF	$ 337	$ -	$ -	$ 337
San Mateo County Investment Pool	555	-	-	555
Money Market Mutual Funds	27,731	-	27,731	-
Total Investments by Fair Value Type	$ 28,623	$ -	$ 27,731	$ 892

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the JPB will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the JPB will not be able to recover the value of its investment or collateral securities that are in possession of another party. The California Government Code and the JPB's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure the JPB's deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

As of June 30, 2024 and 2023, the JPB had $243,624,358 and $57,215,535, respectively, of deposits with financial institutions. Additionally, the JPB is required to hold certain capital fund amounts in interest bearing accounts. These balances are in excess of the $250,000 FDIC limit; however due to California State Law, the excess balances are collateralized with pledged securities by the financial institutions holding the JPB's deposits.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investment in San Mateo County Investment Pool

The JPB is a voluntary participant that invested in the San Mateo County Treasurer's Investment Pool (County Pool) at June 30, 2024 and 2023, in the amount of $585,377 and $554,663, respectively.

The County Pool is a governmental investment pool managed and directed by the elected San Mateo County Treasurer. It is not registered with the Securities and Exchange Commission. The fair value of the JPB's investment in this pool is reported in the accompanying financial statements at amounts based upon the JPB's pro-rata share of the fair value provided by the County Pool for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Pool, which are recorded on an amortized cost basis.

Investment in State Investment Pool

The JPB is a voluntary participant in LAIF which is regulated by the California Government Code under the oversight of the Treasurer of the State of California. LAIF is not registered with the Securities and Exchange Commission. The fair value of the JPB's investment in this pool is reported in the accompanying financial statements at amounts based upon the JPB's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

As of June 30, 2024, the JPB had a contractual withdrawal value of $378,405 in the pool. As of June 30, 2023, the JPB had a $336,793 contractual withdrawal value in the pool.

NOTE 4 – GILROY EXTENSION

The JPB holds trackage rights that extend south from the end of its property ownership in San Jose to Gilroy over a rail line owned by the Union Pacific Railroad. Those rights include the rights to operate five two-way train pairs. In addition, the Santa Clara Valley Transportation holds the rights to operate five additional train pairs to Gilroy.

NOTE 5 – CONTRIBUTED ASSETS FROM CALTRANS

In order to facilitate the purchase of the Mainline and the Gilroy Extension on a timely basis, and to provide for an orderly transition to local administration in a manner that would assure no service interruption, Caltrans and the JPB executed an agreement memorializing various commitments. Caltrans granted the JPB the right to use and control various real and personal property. These properties included: stations, locomotives, passenger cars ("rolling stock"), inventories, and other property associated with Caltrain service. The agreement required that Caltrans transfer all of its rights, titles, and interests in these properties to the JPB, in accordance with Public Utilities Code Section 99234.7.

NOTE 5 – CONTRIBUTED ASSETS FROM CALTRANS (Continued)

On April 4, 1996, the JPB's Board approved a resolution accepting transfer of rolling stock and station sites subject to certain terms and conditions outlined in the resolution. The transfer of rolling stock to the JPB was completed in December 1996, and the transfer of station sites was completed in May 1997. The rolling stock and station sites transferred were recorded at their appraised value as contributed capital in the amount of $106,710,000 and $60,432,365, respectively. Station sites consist principally of land and were capitalized as right-of-way.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows (in thousands):

	Balance June 30, 2023	Additions and Transfers	Deletions and Transfers	Balance June 30, 2024
Depreciable and amortized capital assets:				
Right-of-way improvements	$ 1,202,236	$ 127	$ -	$ 1,202,363
Rail vehicles	338,413	1,089	-	339,502
Facilities and equipment	145,879	3,053	(92)	148,840
Office equipment	13,765	52	-	13,817
Total depreciable and amortized capital assets	1,700,293	4,321	(92)	1,704,522
Accumulated depreciation/amortization for:				
Right-of-way improvements	807,602	43,984	-	851,586
Rail vehicles	281,841	7,872	-	289,713
Facilities and equipment	83,292	4,706	(92)	87,906
Office equipment	13,645	68	-	13,713
Total accumulated depreciation/amortization	1,186,380	56,630	(92)	1,242,918
Total capital assets being depreciated/amortized	513,913	(52,309)	-	461,604
Capital assets non-depreciable/nonamortizable:				
Right-of-way	237,254	-	-	237,254
Construction in progress	2,775,062	332,112	(4,320)	3,102,854
Intangible asset - trackage rights	8,000	-	-	8,000
Total non-depreciable/nonamortizable capital assets	3,020,316	332,112	(4,320)	3,348,108
Right-to-use lease assets				
Office space	953	-	-	953
Land	-	3,875	-	3,875
Parking	1,196	-	-	1,196
Tower space	15	-	-	15
Total right-to-use lease assets	2,164	3,875	-	6,039
Accumulated amortization for:				
Office space	103	635	-	738
Land	-	323	-	323
Parking	199	239	-	438
Tower space	5	3	-	8
Total accumulated amortization	307	1,200	-	1,507
Total right-to-use lease assets, net	1,857	2,675	-	4,532
Capital assets, net	$ 3,536,086	$ 282,478	$ (4,320)	$ 3,814,244

NOTE 6 – CAPITAL ASSETS (Continued)

Capital asset activity for the fiscal year ended June 30, 2023, was as follows (in thousands):

	Balance June 30, 2022	Additions and Transfers	Deletions and Transfers	Balance June 30, 2023
Depreciable and amortized capital assets:				
Right-of-way improvements	$ 1,199,128	$ 4,048	$ (940)	$ 1,202,236
Rail vehicles	338,072	341	-	338,413
Facilities and equipment	145,177	702	-	145,879
Office equipment	13,750	15	-	13,765
Total depreciable and amortized capital assets	1,696,127	5,106	(940)	1,700,293
Accumulated depreciation/amortization for:				
Right-of-way improvements	761,680	46,862	(940)	807,602
Rail vehicles	273,766	8,075	-	281,841
Facilities and equipment	78,725	4,567	-	83,292
Office equipment	13,467	178	-	13,645
Total accumulated depreciation/amortization	1,127,638	59,682	(940)	1,186,380
Total capital assets being depreciated/amortized	568,489	(54,576)	-	513,913
Capital assets non-depreciable/nonamortizable:				
Right-of-way	236,968	286	-	237,254
Construction in progress	2,424,021	356,147	(5,106)	2,775,062
Intangible asset - trackage rights	8,000	-	-	8,000
Total non-depreciable/nonamortizable capital assets	2,668,989	356,433	(5,106)	3,020,316
Right-to-use lease assets:				
Office space	$ 1,066	$ 953	$ (1,066)	$ 953
Land	-	-	-	-
Parking	-	1,196	-	1,196
Tower space	4	15	(4)	15
Total right-to-use lease assets	1,070	2,164	(1,070)	2,164
Accumulated amortization for:				
Office space	472	697	(1,066)	103
Land	-	-	-	-
Parking	-	199	-	199
Tower space	5	4	(4)	5
Total accumulated amortization	477	900	(1,070)	307
Total right-to-use lease assets, net	593	1,264	-	1,857
Capital assets, net	$ 3,238,071	$ 303,121	$ (5,106)	$ 3,536,086

Depreciation/amortization expense for the fiscal years ended June 30, 2024 and 2023 was $57,830,420 and $60,581,635, respectively.

NOTE 7 – OPERATING ASSISTANCE

Member Agencies provided operating funding to the JPB prior to fiscal year 2023. Net operating and administrative costs were apportioned on the basis of mutually agreed contribution rates, updated on an annual basis prior to fiscal year 2023. In fiscal years 2024 and 2023, due to the funding from Measure RR transaction and use tax, the JPB did not request member agencies contributions. Funding allocations for the fiscal years ended June 30 were:

	2024	2023
District - Operating	0.00%	0.00%
VTA - Operating	0.00%	0.00%
CCSF - Operating	0.00%	0.00%

Federal, state, and local operating assistance revenue amounts included in the statements of revenues, expenses, and changes in net position for the fiscal year ending June 30 were (in thousands):

	2024	2023
Member Agency local funds	$ -	$ 84
Assembly Bill 434 operating assistance	-	40
State transit assistance	20,646	11,520
Total	$ 20,646	$ 11,644

NOTE 8 – CAPITAL ASSISTANCE

Capital expenses are primarily funded by federal and state grants, equal annual contributions from all three Member Agencies, and proceeds from Revenue Bonds (See Note 9 – Revenue Bonds Payable). Costs of capital replacement and enhancement projects that are not covered by outside funding sources are allocated to the Member Agencies based upon the terms of the Joint Powers Agreement.

A. Member Agencies

On an annual basis, the Board determines the amount to be contributed to a Capital Contingency Fund (CCF) to cover unanticipated necessary capital improvements. The total amount contributed to the CCF was $0 and $1,325,000 for the fiscal years ended June 30, 2024 and 2023, respectively.

In fiscal years 2024 and 2023, the JPB received capital reimbursements and capital advances from the Member Agencies totaling $36,005,877 and $37,648,269, respectively. The unexpended amounts at June 30, 2024 and 2023, are shown as Unearned Member Contributions. (See Note 16 – Related Parties.)

B. Federal and State Grants

At June 30, 2024 and 2023, the JPB had federal, state, and local grants/allocations that provide funding for Caltrain capital projects. Capital additions for the fiscal years ended June 30, 2024 and 2023, applicable to these projects were $487,286,585 and $296,030,449, respectively. The related federal participation was $112,497,616 and $92,120,447 for fiscal years ended June 30, 2024 and 2023, respectively.

NOTE 8 – CAPITAL ASSISTANCE (Continued)

B. Federal and State Grants (Continued)

The JPB had receivables of $47,847,562 and $23,778,148 at June 30, 2024 and 2023, respectively, for qualifying capital project expenditures under Federal Transit Administration (FTA) grant contracts in excess of reimbursements, which is reported as due from other governmental agencies. In addition, the JPB has receivables of $130,334,896 and $145,479,734 at June 30, 2024 and 2023, respectively, for qualifying capital project expenditures under various state grants, which also is reported as due from other governmental agencies.

Under the terms of the grants, proceeds from equipment sold during its useful life are refundable to the federal government in proportion to the related capital grant funds received, unless the net book value or proceeds from sale are under grant-prescribed limits.

NOTE 9 – REVENUE BONDS PAYABLE

Composition and Changes

The JPB generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The JPB's debt issues and transactions are summarized below and discussed in detail thereafter.

Long-term debt activity for the fiscal year ended June 30, 2024, was as follows (in thousands):

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Current Portion
2019 Series A Revenue Bonds	$ 45,340	$ -	$ 1,235	$ 44,105	$ 1,300
Add: Unamortized premium, net	6,727	-	264	6,464	264
2022 Series A Revenue Bonds	140,000	-	-	140,000	2,560
Add: Unamortized premium, net	30,704	-	1,110	29,595	1,110
Total long-term debt	$ 222,771	$ -	$ 2,609	$ 220,164	$ 5,234

Long-term debt activity for the fiscal year ended June 30, 2023, was as follows (in thousands):

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	Current Portion
2019 Series A Revenue Bonds	$ 46,515	$ -	$ 1,175	$ 45,340	$ 1,235
Add: Unamortized premium, net	6,991	-	264	6,727	264
2022 Series A Revenue Bonds	140,000	-	-	140,000	-
Add: Unamortized premium, net	31,814	-	1,110	30,704	1,110
Total long-term debt	$ 225,320	$ -	$ 2,549	$ 222,771	$ 2,609

NOTE 9 – REVENUE BONDS PAYABLE (Continued)

Description of the JPB's Long-Term Debt Issues

A. <u>2019 Series A Farebox Revenue Bonds</u>

In February 2019, the JPB issued $47,635,000 in 2019 Series A Farebox Revenue Bonds along with a premium of $8,111,446 and other sources related to the defeasance of prior bond issuances netted proceeds of $56,217,759; $24,087,000 of the proceeds were used to fully pay and legally defease the 2007 Series A Farebox Revenue Bonds and $11,363,000 were used to fully payoff 2015 Series A Farebox Revenue Bonds. $20,768,000 of the proceeds are allocated for building acquisitions or to finance other improvements to Caltrain. The 2019 Series A Farebox Revenue Bonds carry a fixed coupon of 5.0 percent with interest due on April 1 and October 1 of each year through October 1, 2037. Principal on the 2019 Series A Farebox Revenue Bonds is payable on October 1, 2021, and annually thereafter on October 1 of each year through 2049.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $84,342. The JPB completed the refunding to reduce its total debt service payments over the next 11.9 years (average life of the refunded 2007 Series A Farebox Revenue Bonds) by $3.4 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $3.6 million (present value of prior debt and net present value savings).

The 2019 Series A Farebox Revenue Bonds are special obligations of the JPB payable from and secured by a pledge of farebox revenues. For pledge purposes, the term "farebox revenues" means the amounts generated and collected in connection with the operation of Caltrain, including passenger fares; parking, shuttle, and pass revenues; and other revenues from operations. Farebox revenues does not include grants from the state or the federal government. The amount and terms of pledged revenue are the outstanding secured debt service as noted on the debt service requirement schedule in the following paragraph.

B. <u>2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified)</u>

In February 2022, the JPB issued $140,000,000 in 2022 Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) Series A along with a premium of $32,179,642. $150,463,899 of the proceeds are allocated to certain improvements to the Caltrain system, including electrification; $21,000,000 of the proceeds were set aside to fund capitalized interest costs of the bonds; and $715,743 of the proceeds were allocated to the cost of issuance of the bonds. The 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) carry a coupon of 5.0% with interest payable semiannually on June 1 and December 1, commencing June 1, 2022. Principal payments on the 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) begins June 1, 2025, and are payable annually thereafter on June 1 of each year through 2051.

The 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) are limited obligations of the JPB payable from and secured by certain revenues from sales and use tax on taxable transactions within the City and County of San Francisco, San Mateo County, and Santa Clara County, at a rate of one-eighth of one percent (1/8%) after deducting amounts payable to the California Department of Tax and Fee Administration (CDTFA) in connection with the collection and disbursement of the sales tax pursuant to the agreement between the CDTFA and the JPB.

NOTE 9 – REVENUE BONDS PAYABLE (Continued)

Description of the JPB's Long-Term Debt Issues (Continued)

C. <u>Pledged Revenues and Annual Debt Service Payments</u>

The amount of farebox pledged revenues recognized during the fiscal years ended June 30, 2024 and 2023, were $49,743,197 and $46,665,873, respectively. The amount of Measure RR Sales Tax pledged revenues recognized during the fiscal years ended June 30, 2024 and 2023, were $119,614,442 and $121,645,143, respectively. The total debt service requirement for the 2019 Series A Farebox Revenue Bonds and for the 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) for the fiscal years ended June 30, 2024 and 2023, was $10,471,125 and $10,471,375, respectively; the first payment on the 2019 Series A Farebox Revenue Bonds debt was October 1, 2019, with repayment of principal starting October 1, 2021, and continuing as laid out in the table below. Annual principal and interest payments for the 2019 Series A Farebox Revenue Bonds were as follows (in thousands):

Year Ending June 30:	Principal	Interest	Total
2025	$ 1,300	$ 2,173	$ 3,473
2026	1,365	2,106	3,471
2027	1,435	2,036	3,471
2028	1,510	1,963	3,473
2029	1,585	1,885	3,470
2030-2034	9,240	8,118	17,358
2035-2039	10,390	5,532	15,922
2040-2044	6,695	3,516	10,211
2045-2049	8,595	1,615	10,210
2050	1,990	50	2,040
Total	$ 44,105	$ 28,994	$ 73,099

The 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) were the first bonds issued by the JPB as Green Bonds as certified by Climate Bonds Initiative (CBI) and verified by Kestrel Verifiers under the standards of the 2015 Paris Agreement. The bonds were issued with ratings of AA+ by Standard & Poor's Rating Services (S&P) and AAA by Kroll Bond Rating Agency, LLC (KBRA). The first principal payment for the 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) debt is scheduled for June 1, 2025. Annual debt service payments are as follows:

Year Ending June 30:	Principal	Interest	Total
2025	$ 2,560	$ 7,000	$ 9,560
2026	2,690	6,872	9,562
2027	2,825	6,738	9,563
2028	2,965	6,596	9,561
2029	3,110	6,448	9,558
2030-2034	18,060	29,744	47,804
2035-2039	23,050	24,755	47,805
2040-2044	29,420	18,386	47,806
2045-2049	37,545	10,259	47,804
2050-2051	17,775	1,344	19,119
Total	$ 140,000	$ 118,142	$ 258,142

NOTE 10 – INSURANCE PROGRAMS

The JPB is exposed to various risks of loss including, but not limited to, those related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The JPB is self-insured for a portion of its public liability and damage to property. As of June 30, 2024 and 2023, coverage provided by self-insurance and excess coverage (purchased by or for the JPB) is generally summarized as follows:

Type of Coverage	Self-Insured Retention	Excess Insurance
Railroad Liability	$2,000,000 Self Insured Retention	$323,000,000 Per Occurrence/ Annual Aggregate ($200,000,000 carried by the JBP and $100,000,000 carried by the Caltrain operator, TASI) plus an additional $23,000,000 xs $300,000,000 carried by JPB for a total of $323,000,000
Real and Personal Property	$750,000 Maximum Self-Insured Retention	$400,000,000
Public Official Liability	$75,000 Self-Insured Retention	$15,000,000 Aggregate
Special Events	$25,000 Self-Insured Retention Per Occurrence	$2,000,000 Per Occurrence / $4,000,000 Aggregate
Environmental Liability	$50,000 Self-Insured Retention	$10,000,000 2-Year Policy Aggregate (FY25-FY26)
Federal Employees Liability Act (FELA)	$1,000,000 Self-Insured Retention	$100,000,000 Annual Aggregate

The JPB carries Liability limits of $323 million with a $2 million self-insured retention (SIR). All rolling stock is insured at full replacement cost. Total insurable values (TIV) covering all rolling stock, real and personal property, tunnels, bridges and stations exceeds $2 billion. The JPB carries a $400,000,000 loss limit per occurrence real and personal property with a maximum $750,000 deductible. Terrorism coverage is included both property and liability. The JPB purchases $100 million limits Federal Employers Liability Act (FELA) with a $1 million SIR. A 2-year environmental pollution policy with aggregate limits of $10 million and a $50,000 deductible is purchased every other year. Earthquake coverage remains cost prohibitive to purchase. To date, there have been no significant reductions in any of the JPB's insurance coverage. Settlements have not exceeded coverages for each of the past three fiscal years.

The unpaid claims liabilities are based on the results of actuarial studies and include amounts for claims incurred but not reported. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. Annual expense is charged using various allocation methods that include actual costs, trends in claims experience, and number of participants. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expense regardless of whether allocated to specific claims. It is the JPB’s practice to obtain full actuarial studies annually. Changes in the balances of self-insured claims liabilities for public liability and property damage for the fiscal years ended June 30, 2024 and 2023, were as follows (in thousands):

NOTE 10 – INSURANCE PROGRAMS (Continued)

	2024	2023
Self-insured claims liabilities, beginning of year	$ 4,846	$ 4,189
Incurred claims and changes in estimates	6,901	2,801
Claim payments and related costs	(4,023)	(2,144)
Total self-insured claims liabilities	7,724	4,846
Less current portion	3,430	2,274
Noncurrent portion	$ 4,294	$ 2,572

NOTE 11 – CAPITAL CONTRIBUTIONS

The JPB receives capital grants and contributions from the federal, state, and local governments for the acquisition and improvement of capital assets. Capital grants and contributions used for capital purposes are recorded as capital contributions and the cost of the related assets is included in capital assets.

Depreciation and amortization on assets acquired with capital contributions is included in the statements of revenues, expenses, and changes in net position. Capital contributions earned for the fiscal years ended June 30 were as follows (in thousands):

	2024	2023
Contributions from the federal government	$ 112,498	$ 92,120
Contributions from the state	325,679	156,737
Contributions from local governments	49,110	47,173
Total	$ 487,287	$ 296,030

NOTE 12 – HEDGE PROGRAM

In order to create more certain future diesel fuel costs and to manage the budget risk caused by uncertain future diesel fuel prices, the JPB established a diesel fuel hedging program. The hedging instruments used are New York Harbor Ultra Low Sulfur Diesel ("NYHRBRULSD") futures contracts with a notional amount of 42,000 gallons each as listed on the NYMEX. As of June 30, 2024, the JPB had 17 futures contracts covering the period from July 2024 to September 2024. As of June 30, 2023, the JPB had 106 futures contracts covering the period from July 2023 to June 2024.

The JPB enters into futures contracts to hedge its price exposures to diesel fuel which is used in its vehicles to provide transportation. These contracts are derivative instruments. The effectiveness of the hedge is determined according to GASB Statement No. 53 (Accounting and Financial Reporting for Derivative Instruments) rules, which require a statistically strong relationship between the price of the futures contracts and the JPB's cost of diesel fuel from its supplier in order to insure that the futures

NOTE 12 – HEDGE PROGRAM (Continued)

contracts effectively hedge the expected cash flows associated with diesel fuel purchases/exposures. The JPB applies hedge accounting for derivatives that are deemed effective hedges. Under hedge accounting, the increase (decrease) in the fair value of a hedge is reported as a deferred cash flow on the statements of net position. For the reporting period, all of the JPB's derivatives meet the effectiveness tests. Net gains/losses from completed hedges become an element of diesel fuel cost.

For diesel fuel futures contracts, the fair values are determined according to exchange settlement prices and the prices at which the futures contracts were purchased where each contract has a volume of 42,000 gallons. The following is a summary of the fair values and notional amounts of derivative instruments (diesel futures contracts) outstanding as of June 30, 2024 and 2023 (in thousands).

	2024 Change in Fair Value		Fair Value June 30, 2024		
	Classification	Amount	Classification	Amount	Notional
Effective Cash Flow Hedges					
Futures Contracts	Deferred Inflow	$ 1,018	Derivative Instruments	$ 40	714 Gallons

	2023 Change in Fair Value		Fair Value June 30, 2023		
	Classification	Amount	Classification	Amount	Notional
Effective Cash Flow Hedges					
Futures contracts	Deferred Inflow	$ (2,804)	Derivative Instruments	$ (977)	4,452 Gallons

<u>Credit Risk</u>

The JPB is exposed to credit risk in the amount of the derivative's fair value. When the fair value of any derivative has a positive market value, the risk is that the counterparty will not fulfill its obligations. The counterparty for diesel futures contracts is the New York Mercantile Exchange Clearinghouse. Futures do not have credit risk because the clearing house guarantees against default risk by taking both sides of all transactions where positions are marked-to-market on a daily basis. Futures contracts are highly regulated by the Commodity Futures Trading Commission.

<u>Basis Risk</u>

The JPB is exposed to basis risk on its expected fuel hedge contracts because the future fuel purchases are based on a pricing point different from the pricing point at which the future contracts are expected to settle NYHRBRULSD.

<u>Market Risk</u>

The JPB is exposed to market risk arising from adverse changes in the market prices of the commodity.

NOTE 13 – COMMITMENT AND CONTINGENCIES

A. Operating Contract

The JPB Board awarded a contract to TASI of St. Joseph, MO, at the September 1, 2011 Board meeting. TASI provides rail operations, maintenance, and support services for a base term of five years plus five months of mobilization, with five, one-year option terms. Mobilization efforts began on October 1, 2011, and TASI began its service on May 26, 2012. The contract with TASI has been extended to 2027. Amtrak continued to provide services through the mobilization period.

This is a Cost Plus Performance Fee based contract. All direct costs are reimbursable and TASI has the opportunity to earn up to $4.5 million per year as a performance fee. The first year budget plus mobilization costs were negotiated prior to the contract award. A performance fee program and quantifiable metrics are discussed and agreed upon annually by the parties in key areas such as safety and on-time performance. These metrics are measured quarterly with the exception of adherence to the budget which will be measured annually. TASI's reported results are also independently verified and validated by a third party consultant. The expenses billed to the JPB by TASI for providing rail operation services for the fiscal years ended June 30, 2024 and 2023, are recorded as Contract Services in the statements of revenues, expenses, and changes in net position.

B. Litigation

As of June 30, 2024, the JPB had accrued amounts that management believes are adequate to resolve claims and lawsuits which arose during the normal course of business. A few claims and lawsuits remain outstanding for which the JPB cannot determine the ultimate and resulting liability, if any. However, the JPB's management and its counsel believe the ultimate outcome of these claims and lawsuits will not materially impact the JPB's financial position.

Caltrain Collision with Hi-Rail Maintenance Vehicles on March 10, 2022

On March 10, 2022, at approximately 10:30 a.m., a southbound Caltrain train struck three stationary on-track (or hi-rail) maintenance vehicles at milepost (MP) 11.6 on main track 2 near San Bruno, California. The maintenance vehicles were on-track to pick-up catenary poles for installation along the right-of-way (ROW) as part of the Peninsula Corridor Electrification Project (PCEP). Balfour Beatty Infrastructure, Inc. (BBII) is the PCEP contractor, and TransitAmerica Services, Inc. (TASI) provides signaling services on the ROW. The National Transportation Safety Board (NTSB) issued a final report stating that the TASI roadway worker-in-charge released exclusive track occupancy while the hi-rail vehicles were still on the track. The locomotive derailed, and all three maintenance vehicles were destroyed. Leaking fuel from the hi-rail maintenance vehicles resulted in a fire that spread to one of the passenger rail cars. Fourteen people reported injuries: 12 passengers, one train crew member (a TASI employee), and one maintenance contractor (a BBI employee). Of these, seven were transported to local hospitals, and seven were treated and released at the scene.

The time for filing lawsuits has run, and the following plaintiffs filed lawsuits in San Mateo Superior Court related to the incident against the JPB and other entities:

- Phillip Merlino and Carolina Campnuevo: Mr. Merlino, a BBI employee, was injured in the accident and is seeking damages related to the accident, and his wife, Ms. Campnuevo, has brought a cause of action for loss of consortium.

NOTE 13 – COMMITMENT AND CONTINGENCIES (Continued)

B. Litigation (Continued)

Caltrain Collision with Hi-Rail Maintenance Vehicles on March 10, 2022 (Continued)

- William Bryan: Mr. Bryan was the TASI locomotive engineer on the Caltrain train involved in the incident. He seeks damages related to the incident.
- The following passengers on the Caltrain train have also brought suit seeking damages related to the incident:
  - Mary Liu
  - Lawrence Walton
  - Isaac Ortiz
  - Victor Morales

The JPB tendered all claims and lawsuits arising out of the March 10, 2022, accident to TASI and, subject to a reservation of rights, TASI agreed to indemnify and defend the JPB in these cases. The JPB has also agreed to defend and indemnify several other entities named in the lawsuit, and then the JPB tendered those requests to TASI, which accepted them subject to a reservation of rights. In addition, since July 2024, Westchester/Chubb, the insurance carrier that issued a $25 million railroad protective liability (RRPL) insurance policy to the JPB for PCEP, has been defending the JPB and TASI in these cases, and assigned Stephanie Quinn of Quinn, Covarrubias, to act as defense counsel for the JPB and TASI.

These cases have all been related but not consolidated. To date, none of the cases have settled. Several of the cases have had or will have mediations in October 2024. No trial dates in the cases have been set.

In addition to these lawsuits, BBII notified the JPB in 2022 that it incurred losses of approximately $2 million as a result of the incident, including labor costs BBII and its subcontractors incurred related to suspension of PCEP work on the ROW, and workers compensation payments, and sought reimbursement for those losses.

William Rogers, et al. v. JPB, et al. **(San Mateo Superior Court, Case No. 23-CIV-03335)**

On August 25, 2022, at approximately 1:00 a.m., William Rogers, an employee of Modern Rail Systems (MRS), which is a subcontractor to BBII under the PCEP contract, was performing work near MP 31.7, near Palo Alto, California. While walking across a bridge adjacent to the tracks to reach a signal house, the employee fell approximately 25 feet through the wooden deck structure, onto the Oregon Expressway below the bridge. Mr. Rogers was injured and transported to Stanford Medical Center. On July 20, 2023, Mr. Rogers and his wife Sarah Rogers filed suit against the JPB in San Mateo County Superior Court. Mr. Rogers seeks damages related to the accident and Ms. Rogers has filed a claim for loss of consortium. Plaintiffs also named TASI, Herzog Transit Services (TASI's parent company), and SMCTD as defendants, although the plaintiffs subsequently dismissed SMCTD from the case. The Rogers also seek an award of punitive damages against TASI and Herzog. The JPB has agreed to defend and indemnify TASI and Herzog, subject to a reservation of rights, and excluding any punitive damages. The parties have conducted some discovery and Mr. Rogers and a Caltrain engineer have been deposed.

NOTE 13 – COMMITMENT AND CONTINGENCIES (Continued)

B. <u>Litigation</u> (Continued)

William Rogers, et al. v. JPB, et al. **(San Mateo Superior Court, Case No. 23-CIV-03335)** (Continued)

In May 2024, the Rogers submitted a settlement demand to the JPB and the parties participated in mediation on June 27, 2024, but made no substantive progress. The parties have agreed to an additional mediation session on October 31, 2024.

Until July, the JPB and TASI had been represented by Todd Master of Ridley Master. In late July, Westchester/Chubb, which provided the $25 million RRPL insurance policy discussed above, notified the JPB that it was taking over defense of the case and assigned Ms. Quinn of Quinn, Covarrubias, to act as defense counsel for the JPB and TASI.

Damage to EMU trains on February 1, 2024

On February 1, 2024, two new Electric Multiple Unit (EMU) train cars, which run on JPB's new electrification system, were damaged at the JPB's Central Equipment & Maintenance Facility (CEMOF) when they were hit by another train car that had come loose from its stationary blocks. The EMUs are currently being repaired in Utah by Stadler, the maker of the trains. The initial estimate for the cost of repair is approximately $5.5 million. The JPB has tendered the claim to its property insurer, Great American. The property policy has a $500,000 deductible.

Elouise Brown, et al. v. Caltrain, et al. **(San Francisco Superior Court Case No. GGC-23-610742)**

On April 15, 2024, Elouise Brown, Brenda Lanzarain, and Timothy Brown, filed suit against the JPB, SMCTD, the City and County of San Francisco (CCSF), and the Department of Transportation, alleging the wrongful death of Andrew Brown, who was struck by a Caltrain train at approximately 6:15 a.m. on November 4, 2022, when he walked across the tracks at Milepost 2.40 near Evans Street and Shelby Street in San Francisco. The plaintiffs allege they are relatives of the decedent. The JPB has agreed to defend and indemnify SMCTD and CCSF, and the JPB and those parties are represented by Jenny Li of Ridley Master. Trial has been set for January 20, 2026.

NOTE 13 – COMMITMENT AND CONTINGENCIES (Continued)

C. PTMISEA Grants

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006, includes a program of funding in the amount of $4 billion to be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). Of this amount, $3.6 billion in the PTMISEA is available to project sponsors in California for allocation to eligible public transportation projects. The following table shows the changes in activity related to the PTMISEA grant funds during the fiscal years as well as the remaining commitment as of June 30, 2024 and 2023 (in thousands):

	PTMISEA South Terminal Project (Fund 3605)	PTMISEA Community Based Overlay Signal System (Fund 3607)	PTMISEA Rolling Stock State-of-Good-Repair (Fund 3623)	PTMISEA Rolling Stock State-of-Good-Repair (Fund 3634)
Total Allocations as of June 30, 2023	$ -	$ -	$ -	$ -
Adjustments	-	-	-	-
Net Expenditures	-	-	-	-
Unspent balance at June 30, 2024	$ -	$ -	$ -	$ -

	PTMISEA Electrification Improvements (Fund 3638)	PTMISEA Community Based Overlay Signal System (Fund 3647)	PTMISEA Interest Earned (Fund 3636)
Total Allocations as of June 30, 2023	$ -	$ 15	$ 9
Adjustments	-	-	-
Interest Earned, Net of Bank Charges	-	-	-
Net Expenditures	-	(1)	-
Unspent balance at June 30, 2024	$ -	$ 14	$ 9

NOTE 13 – COMMITMENT AND CONTINGENCIES (Continued)

C. PTMISEA Grants (Continued)

	PTMISEA South Terminal Project (Fund 3605)	PTMISEA Community Based Overlay Signal System (Fund 3607)	PTMISEA Rolling Stock State-of-Good-Repair (Fund 3623)	PTMISEA Rolling Stock State-of-Good-Repair (Fund 3634)
Total Allocations as of June 30, 2022	$ 875	$ 210	$ 692	$ 130
Adjustments	-	-	-	(1)
Net Expenditures	(875)	(210)	(692)	(129)
Unspent balance at June 30, 2023	$ -	$ -	$ -	$ -

	PTMISEA Electrification Improvements (Fund 3638)	PTMISEA Community Based Overlay Signal System (Fund 3647)	PTMISEA Interest Earned (Fund 3636)
Total Allocations as of June 30, 2022	$ 36	$ 317	$ 221
Adjustments	(1)	-	-
Interest Earned, Net of Bank Charges	-	-	2
Net Expenditures	(35)	(302)	(214)
Unspent balance at June 30, 2023	$ -	$ 15	$ 9

NOTE 14 – LEASING TRANSACTIONS

In February 2002, the JPB entered into a leasing transaction (the 2002 Lease Transaction) with respect to 38 Nippon Sharyo trailer cars, 14 Nippon Sharyo cab cars, and 13 GM F40PH-2 locomotives (collectively, the "Equipment"). The JPB leased the Equipment to a trust under a Head Lease and simultaneously leased back the Equipment under a Sublease. The leasing transaction terminated and restructured a portion of "a 1996 leasing transaction" (the "1996 Transaction") that had not been previously terminated. The JPB received net proceeds in the amount of $2,392,510, which represents the difference between the appraised value of the Equipment and the termination cost associated with the remaining portion of the 1996 Transaction and certain required deposits and expenses. The Equipment remains on the books of the JPB at its original cost and is being depreciated over the original useful life determined at the date of acquisition. The net proceeds have been recorded as Lease-Leaseback income for the fiscal year ended June 30, 2002. The JPB has an option to purchase the Equipment for an agreed upon purchase price in January 2026.

At the outset of the lease, a portion of the Head Lease payment was deposited under agreements with two debt payment undertakers whose repayment obligations are guaranteed, as the case may be, by Assured Guaranty Municipal Corporation ("AGM") as successor to Financial Security Assurance ("FSA"), or Swiss Reinsurance Corporation ("Swiss Re"). Another portion of the Head Lease payment was deposited under an agreement with an equity payment undertaker whose repayment obligations are guaranteed by AGM as successor to FSA. The repayment obligations of AGM and Swiss Re under their respective debt undertaking agreements are due in amounts and at times that correspond to the JPB's scheduled payments under the Sublease. The repayment obligations of AGM under the equity payment agreement are due in amounts and at times that correspond to the JPB's purchase option dates under the 2002 Lease Transaction.

NOTE 14 – LEASING TRANSACTIONS (Continued)

At the time of the 2002 Lease Transaction, FSA was rated "Aaa/AAA" by Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Services ("S&P"). Although the debt and equity payment undertaking arrangements do not represent a legal defeasance of the JPB's obligations under the Sublease, management believes that these transactions are structured in such a way that it is not probable that the JPB will need to access other monies to make Sublease payments or pay the purchase option prices in 2026. Therefore, the assets and the Sublease obligations are not recorded on the financial statements of the JPB as of June 30, 2024 and 2023.

The terms of the 2002 Lease Transaction require the JPB to replace AGM and Swiss Re within certain timeframes if their ratings are downgraded below certain rating minimums. On January 17, 2013, Moody's downgraded AGM to "A2", which is below the threshold of "Aa3" under the 2002 Lease Transaction with respect to AGM's role as surety provider and guarantor of the equity payment agreement. The current Moody's AGM rating of "A1" remains below the required threshold. The equity investor under the 2002 Lease Transaction has provided forbearance letters to the JPB with respect to replacing AGM since the Moody's downgrade to below "Aa3" and has not demanded that the JPB replace AGM. In December 2022, the equity investor agreed to waive the downgrade provision so long as AGM is rated at least "AA-" by S&P and "A1" by Moody's.

Failure of the JPB to replace AGM following a downgrade by either Moody's or S&P to below the applicable rating threshold within specified timeframes could allow the equity investor to issue a default notice to the JPB. Because replacement of AGM is not practicable, the JPB could become liable to pay termination costs as provided in certain schedules of the 2002 Lease Transaction. The scheduled termination costs as of June 30, 2024, less the accreted value under the equity payment agreement, would approximate $4.1 million.

NOTE 15 – GASB STATEMENT NO. 87, *LEASES*

The JPB, as a lessee, has entered into various leases for office space, tower space, land, and parking with lease terms expiring between fiscal year 2025 and 2028 with some leases containing options to renew.

The JPB, as a lessor, has entered into lease agreements for mainly commercial and ground lease transactions. The lease terms are expiring between fiscal year 2025 and 2122 with some leases containing options to renew.

The JPB adopted GASB Statement No. 87, *Leases*, In fiscal year 2023 with a conversion date of July 1, 2020. In accordance with the adopted standard, the JPB, as a lessee, is required to recognize intangible right-to-use lease assets and corresponding lease liabilities, and as a lessor, lease receivables and deferred inflows of resources, for all leases that are not considered short-term. The JPB has adopted the following policies to assist in determining lease treatment according to the standard (unless otherwise specified, the following policies pertain to agreements in which the JPB acts as lessee, and agreements in which the JPB acts as lessor):

Basis of Lease Classification – The maximum possible lease term(s) is non-cancelable by both lessee and lessor, and is more than 12 months will not be considered short-term.

Term – At the time of lease commencement or conversion, the term of the lease will include possible extension periods that are deemed to be reasonably certain given all available information, regarding the likelihood of renewal.

NOTE 15 – GASB STATEMENT NO. 87, *LEASES* (Continued)

Discount Rate – Unless explicitly stated in the lease agreement, known by the JPB, or the JPB is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use lease assets and liabilities in the case of agreements in which the JPB acts as lessee, or deferred inflows of resources and related lease receivable, in the case of agreements in which the JPB acts as lessor, is the annual 110% Applicable Federal Rates (AFR). The Short-term annual 110% AFR applies to a lease term that is less than three years, the Mid-term annual 110% AFR applies to a lease term that is between three to nine years, and the Long-term annual 110% AFR applies to a lease term that is longer than nine years. The Short-term annual 110% AFR was 2.62% for July 2022 and 5.28% for July 2023, the Mid-term annual 110% AFR was 3.30% for July 2022 and 4.23% for July 2023, and the Long-term annual 110% AFR was 3.54% for July 2022 and 4.38% for July 2023. The July 2022 and July 2023 AFR were used for applicable leases beginning in fiscal years 2023 and 2024, respectively.

Variable Payments – Variable payments based on the future performance of the lessee or lessor or usage of the underlying asset are not included in the measurement of lease assets or liabilities. For fiscal years 2023 and 2024, as a lessee, all leases are based on fixed payments and do not have variable payment components. For fiscal years 2023 and 2024, as a lessor, all leases are based on fixed payments and variable payments based on the Consumer Price Index (CPI).

Residual Value Guarantees – There were no residual guarantees included in the measurement of lease assets and liabilities, or deferred inflow of resources and lease receivables, for fiscal years 2023 and 2024.

Remeasurement – There were no remeasurements for fiscal years 2023 and 2024 due to (1) early termination which included a termination fee, (2) reduction in monthly lease payment, and (3) a change in the discount rate.

As a lessee, the JPB recognized $1,201,383 and $901,199 of lease related amortization expense in fiscal years 2024 and 2023, respectively. The JPB also recognized $80,014 and $30,269 of lease related interest expense in fiscal years 2024 and 2023, respectively.

As a lessor, the JPB recognized $191,088 and $64,476 in lease related interest revenue in fiscal years 2024 and 2023, respectively. The JPB also recognized revenues from lease related deferred inflows of resources of $215,269 and $215,269, and $6,994,875 and $7,105,773 in lease related receivables in fiscal years 2024 and 2023, respectively.

Refer to Note 6 for right-to-use lease assets.

NOTE 15 – GASB STATEMENT NO. 87, *LEASES* (Continued)

Lease related obligations consist of the following:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Current Portion
Lease liabilities	$ 1,919	$ 3,910	$ 899	$ 4,930	$ 1,790
Total long-term debt	$ 1,919	$ 3,910	$ 899	$ 4,930	$ 1,790

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	Current Portion
Lease liabilities	$ 632	$ 1,919	$ 632	$ 1,919	$ 899
Total long-term debt	$ 632	$ 1,919	$ 632	$ 1,919	$ 899

A summary of the combined remaining principal and interest amounts by fiscal year for the lease liabilities are shown below:

Year Ending June 30:	Principal	Interest	Total
2025	$ 1,790	$ 199	$ 1,989
2026	1,684	117	1,801
2027	1,410	32	1,442
2028	46	-	46
2029	-	-	-
Total	$ 4,930	$ 348	$ 5,278

NOTE 16 – RELATED PARTIES

A. <u>Operating Expenses Paid to the District</u>

The District serves as the Managing Agency of the JPB, providing management and administrative personnel and facilities (see Note 1). The District is compensated based on actual costs incurred and administrative overhead. Total expenses billed to the JPB by the District, which were included as operating expenses in the accompanying statements of revenues, expenses, and changes in net position, were as follows (in thousands):

	2024	2023
Wages and fringe benefits	$ 17,940	$ 13,280
Overhead	173	783
Total	$ 18,113	$ 14,063

NOTE 16 – RELATED PARTIES (Continued)

B. Receivables from Member Agencies

The JPB is owed amounts from Member Agencies for grants and prior obligations. The balances at June 30 are as follows (in thousands):

	2024	2023
District	$ 10,644	$ 4,883
VTA	14,096	8,254
CCSF	7,000	8,976
Total	$ 31,740	$ 22,113

C. Payables to the District

Amounts due to the District as Managing Agency at June 30, 2024 and 2023, total $5,719,699 and $5,595,981, respectively, and are included in accrued liabilities.

D. Unearned Member Contributions

The JPB recognizes Member Agencies' advances as contributed capital when expenses are incurred or assets are purchased. Accordingly, some Member Agencies' payments are classified as Unearned Member Contributions. The balances at June 30 were as follows (in thousands):

	2024	2023
District	$ 17,923	$ 16,464
VTA	3,252	11,115
CCSF	1,995	1,400
Total	$ 23,170	$ 28,979
Committed for:		
Centralized traffic control system	$ 1	$ 1
Farebox capital	1	1
Capital Contingency Fund	2,493	2,334
Capital contribution, Member's local match	20,675	26,643
Total Committed	23,170	28,979
Uncommitted funds:		
District	-	-
VTA	-	-
CCSF	-	-
Total Uncommitted	-	-
Total	$ 23,170	$ 28,979

NOTE 17 – REVOLVING CREDIT FACILITY

Cash flow projections for the Peninsula Corridor Electrification Project (PCEP) forecast funding gaps between the time payments are due for work performed and the timing of receipts from the funding sources associated with such work, most of which are available on a reimbursement basis. At its highest point, the funding gap is currently projected to be approximately $120 million.

In December 2016, the JPB secured the 2016 Credit Facility to assist the JPB in meeting its cash flow needs in connection with the PCEP. The amount outstanding under the 2016 Credit Facility may not exceed $170 million at any one time. This Credit Facility commitment was reduced March 31, 2019, to a level not to exceed $120 million. Funds drawn will be applied to fund cash flow mismatch with respect to the PCEP and the 2018 TIRCP Grant Projects and/or to enable the JPB to access the 2018 TIRCP Grant awarded to the JPB to fund a portion of the 2018 TIRCP Grant Projects. Funds drawn by the JPB pursuant to the 2016 Credit Facility constitute loans made to the JPB by the provider of the 2016 Credit Facility.

On August 16, 2021, the JPB replaced the existing Credit Facilities with two new Credit Facilities. The new Credit Facilities were issued in the amounts of $100 million each for PCEP project funding (PCEP Credit Facility) and Working Capital funding (Working Capital Facility). The terms on the new Credit Facilities is set forth in the Fee and Pricing Agreements for each credit line. There are two ongoing fees associated with the revolving credit facilities: an undrawn and a draw fee. For those amounts available to the JPB but undrawn and not used at a particular time, the Lender will charge a commitment fee equal to 0.23 percent times the undrawn amount. For those amounts drawn and used under the revolving credit facility, the Lender will charge a draw fee (i.e., and interest rate). The draw fee for Tax Exempt draws is equal to the following formula: The Secured Overnight Financing Rate (SOFR) plus an Applicable Tax-Exempt Margin, which currently stands at 0.36% based on the Current S&P rating of AA+. The draw fee for Taxable draws is equal to the Secured Overnight Financing Rate (SOFR) plus an applicable Taxable Margin, which currently stands at 0.45% based on the current S&P rating of AA+. As of June 30, 2024, there was no outstanding (drawn) revolving credit line balances on the PCEP Credit Facility and $46,700 million for the Tax-Exempt Facility.

SUPPLEMENTARY INFORMATION

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PENINSULA CORRIDOR JOINT POWERS BOARD

SUPPLEMENTARY SCHEDULE OF REVENUES AND EXPENSES –
COMPARISON OF BUDGET TO ACTUAL (BUDGETARY BASIS)
(in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget (Unaudited)	Actual	Variance with Final Budget
OPERATING REVENUES:			
Passenger fares	$ 46,712	$ 46,896	$ 184
Parking, shuttle, and pass revenues	2,193	2,299	106
Advertising	542	232	(310)
Other	218	315	97
Total operating revenues	49,665	49,742	77
OPERATING EXPENSES:			
Contract services	128,708	128,756	(48)
Insurance	11,550	16,480	(4,930)
Fuel	15,211	15,440	(229)
Parking, shuttle, and pass expenses	1,601	1,577	24
Professional services	2,043	3,081	(1,038)
Wages and benefits	17,583	18,113	(530)
Utilities and supplies	3,010	3,254	(244)
Maintenance services	944	1,059	(115)
Temporary services, rent, and other	8,602	6,478	2,124
Debt fees	-	-	-
Total operating expenses	189,252	194,238	(4,986)
Operating loss	(139,587)	(144,496)	(4,909)
NONOPERATING REVENUES (EXPENSES):			
Federal, state, and local operating assistance	20,179	20,646	467
Transaction and use tax	118,400	119,614	1,214
Rental income	1,027	1,605	578
Investment income	4,826	6,426	1,600
Interest expense	(3,471)	(2,252)	1,219
Expense for noncapitalized projects	-	(40,902)	(40,902)
Other income	656	74,610	73,954
Total nonoperating revenues (expenses), net	141,617	179,747	38,130
Net loss	2,030	35,251	(43,039)
CAPITAL OUTLAY:			
Capital assistance	521,176	487,287	(33,889)
Capital debt financing	-	(155,175)	(155,175)
Capital expenditures	(521,176)	(332,112)	189,064
Net capital outlay	-	-	-
Deficiency of Revenues and Nonoperating Income under Expenses, Capital Outlay, and Debt Principal Payment	$ 2,030	$ 35,251	$ (43,039)

NOTES TO SUPPLEMENTARY SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The Peninsula Corridor Joint Powers Board (JPB) prepares its budget on a basis of accounting that differs from accounting principles generally accepted in the United States of America (GAAP). The actual results of operations are presented in the supplementary schedule on the budgetary basis to provide a meaningful comparison of actual results with budget. In addition, certain budget amounts have been reclassified to conform to the presentation of actual amounts in the supplementary schedule. Budgeted amounts presented are the final adopted budget. The primary difference between the budgetary basis of accounting and GAAP concerns capital assets. Depreciation and amortization expense per GAAP and amortization of lease are not budgeted and budgeted capital expenses are not recorded as an expense per GAAP. In addition, unrealized gains and losses under Governmental Accounting Standards Board (GASB) Statement No. 31 are not recognized on a budgetary basis as well as some long-term expenses such as bond related payments. The capital expense budget does not include the carry-over budget from 2023.

NOTE 2 – RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

Deficiency of Revenues and Nonoperating Income under Expenses, Capital Outlay, and Debt Principal Payment		$ 35,251
Reconciling Items		
Capital expenditures	$ 332,112	
Depreciation and amortization	(57,830)	
Capital debt financing	155,175	
Subtotal reconciling items		429,457
Change in net position, GAAP basis		$ 464,708

Section III

STATISTICAL

Financial Trends

- Net Position and Changes in Net Position

Revenue Capacity

- Revenue Base and Revenue Rate
- Principal Revenue Payers

Debt Capacity

- Ratio of Outstanding Debt
- Bonded Debt
- Direct and Overlapping Debt
- Debt Limitations
- Pledged Revenue Coverage
- Sales Tax Receipts

Demographics and Economic Information

- Population, Income, and Unemployment Rates
- Principal Employers

Operating Information

- Farebox Recovery and Passenger Miles
- Employees (Full-Time Equivalents)
- Capital Assets

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STATISTICAL SECTION

The Statistical Section of the Peninsula Corridor Joint Powers Board (JPB) Annual Comprehensive Financial Report represents detailed information as a context for understanding the information in the financial statements, note disclosures, and supplementary information for assessing the JPB's economic condition.

Financial Trends

These schedules contain trend information to assist readers in understanding and assessing how the JPB's financial position has changed over time.

Revenue Capacity

These schedules contain information to assist readers in understanding and assessing the factors affecting the JPB's ability to generate passenger fares.

Debt Capacity

These schedules assist readers in understanding and assessing the JPB's debt burden and its capacity to issue future debt.

Demographic and Economic Information

These schedules present socioeconomic indicators to assist readers in understanding the environment within which the JPB's financial activities take place.

Operating Information

These schedules contain contextual information about the JPB's operations and resources to assist readers in using financial statement information as a tool to understand and assess the JPB's economic condition.

FINANCIAL TRENDS – NET POSITION AND CHANGES IN NET POSITION
FISCAL YEARS 2015 THROUGH 2024 (in thousands)

	2024	2023	2022	2021	2020
OPERATING REVENUES:					
Passenger fares	$ 46,896	$ 43,330	$ 33,236	$ 32,440	$ 76,094
Parking, shuttle, and pass revenues	2,299	2,239	2,778	1,547	6,045
Advertising	232	821	412	114	1,469
Other	315	275	1,268	1,108	849
Total operating revenues	49,742	46,665	37,694	35,209	84,457
OPERATING EXPENSES:					
Contract services	128,756	117,289	108,946	122,030	107,037
Insurance	16,480	11,855	6,148	8,473	4,166
Fuel	15,440	15,995	13,491	7,088	9,311
Parking, shuttle, and pass expenses	1,577	1,507	3,254	3,211	5,591
Professional services	3,081	2,445	2,944	11,061	5,535
Wages and benefits	18,113	14,063	11,356	13,068	17,355
Utilities and supplies	3,254	2,836	5,118	2,083	2,059
Maintenance services	1,059	773	609	503	1,391
Temporary services, rent, and other	6,478	5,808	5,298	3,330	4,579
Debt fees	-	716	-	-	-
Total operating expenses	194,238	173,287	157,164	170,847	157,024
Operating loss before depreciation and amortization	(144,496)	(126,622)	(119,470)	(135,638)	(72,567)
Depreciation and amortization	(57,830)	(60,582)	(65,656)	(65,112)	(66,966)
Operating loss	(202,326)	(187,204)	(185,126)	(200,750)	(139,533)
NONOPERATING REVENUES:					
Federal, state, and local operating assistance	20,646	11,644	126,118	129,634	63,044
Transaction and use tax	119,614	121,645	112,620	-	-
Rental income	1,605	1,300	1,237	1,125	534
Investment income	6,426	4,838	679	334	495
Other income	74,610	3,059	3,172	4,085	1,201
Total nonoperating revenues	222,901	142,486	243,826	135,178	65,274
NONOPERATING EXPENSES:					
Interest expense	(2,252)	(2,351)	(2,210)	(2,890)	(2,641)
Expense for noncapitalized projects	(40,902)	(31,059)	(19,954)	-	-
Total nonoperating expenses	(43,154)	(33,410)	(22,164)	(2,890)	(2,641)
Net loss before capital contributions	(22,579)	(78,128)	36,536	(68,462)	(76,900)
Capital contributions	487,287	296,030	468,612	434,567	361,303
Change in net position	464,708	217,902	505,148	366,105	284,403
NET POSITION:					
Beginning of year	3,446,269	3,228,367	2,723,219	2,355,685	2,071,282
Prior period adjustment per GASB 87[1]	-	-	-	1,429	-
Beginning of year, as restated	3,446,269	3,228,367	2,723,219	2,357,114	2,071,282
End of year	$ 3,910,977	$ 3,446,269	$ 3,228,367	$ 2,723,219	$ 2,355,685
COMPONENTS OF NET POSITION:					
Net investment in capital assets	$ 3,558,514	$ 3,304,463	$ 2,947,760	$ 2,652,168	$ 2,312,715
Unrestricted	352,463	141,806	280,607	71,051	42,970
Net position, end of year	$ 3,910,977	$ 3,446,269	$ 3,228,367	$ 2,723,219	$ 2,355,685

[1] Per Governmental Accounting Standards Board (GASB) Statement No. 87 effective as of fiscal year 2022, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Source: Current and prior years' Annual Comprehensive Financial Reports.

This table presents revenues and expenses, contributions, depreciation and amortization, and net position components.

2019	2018	2017	2016	2015
$ 102,668	$ 97,050	$ 92,429	$ 86,959	$ 83,351
7,894	7,790	7,911	7,226	5,990
1,050	1,016	370	190	227
1,165	1,180	1,321	1,057	1,194
112,777	107,036	102,031	95,432	90,762
99,541	92,899	89,639	82,942	78,240
4,129	1,188	7,105	35	6,593
11,184	10,322	8,613	8,312	12,118
5,280	5,916	5,629	6,104	5,316
2,068	2,178	1,514	1,618	1,255
16,765	13,911	13,561	12,943	11,501
2,189	2,063	2,179	2,172	2,068
1,643	1,668	1,508	1,054	1,039
4,528	2,782	2,886	2,664	1,981
-	-	-	-	-
147,327	132,927	132,634	117,844	120,111
(34,550)	(25,891)	(30,603)	(22,412)	(29,349)
(78,890)	(100,097)	(83,922)	(93,540)	(75,300)
(113,440)	(125,988)	(114,525)	(115,952)	(104,649)
35,070	25,346	25,489	25,078	27,578
-	-	-	-	-
1,901	2,070	1,861	1,781	1,764
714	93	28	111	242
3,210	1,198	2,413	613	1,006
40,895	28,707	29,791	27,583	30,590
(3,224)	(1,499)	(1,302)	(1,300)	(1,192)
-	-	-	-	-
(3,224)	(1,499)	(1,302)	(1,300)	(1,192)
(75,769)	(98,780)	(86,036)	(89,669)	(75,251)
405,162	321,303	246,767	131,329	115,225
329,393	222,523	160,731	41,660	39,974
1,741,889	1,519,366	1,358,635	1,316,975	1,277,001
-	-	-	-	-
1,741,889	1,519,366	1,358,635	1,316,975	1,277,001
$ 2,071,282	$ 1,741,889	$ 1,519,366	$ 1,358,635	$ 1,316,975
$ 2,030,255	$ 1,707,243	$ 1,484,730	$ 1,323,485	$ 1,282,932
41,027	34,646	34,636	35,150	34,043
$ 2,071,282	$ 1,741,889	$ 1,519,366	$ 1,358,635	$ 1,316,975

PENINSULA CORRIDOR JOINT POWERS BOARD

REVENUE CAPACITY – REVENUE BASE AND REVENUE RATE
FISCAL YEARS 2015 THROUGH 2024

	2024	2023	2022	2021	2020
Passenger fares (in thousands)	$ 46,896	$ 43,330	$ 33,236	$ 32,440	$ 75,789
Revenue Base					
Number of passengers (in thousands)	7,302	6,678	4,055	1,296	13,684
Source: National Transit Database (NTD)					
Four-zone fare structure					
Full adult fare:					
One-way (Ticket Machine)	$ 10.50	$ 10.50	$ 10.50	$ 10.50	$ 10.50
One-way (Clipper Card)	9.95	9.95	9.95	-	-
Day Pass	21.00	21.00	21.00	21.00	21.00
8-ride[1]	-	-	-	-	-
Monthly Pass	238.80	238.80	238.80	298.50	298.50
Eligible discount fare:					
One-way (Ticket Machine)	$ 4.75	$ 4.75	$ 4.75	$ 4.75	$ 4.75
One-way (Clipper Card)	4.60	4.60	4.60	-	-
Day Pass	9.50	10.50	10.50	10.50	10.50
8-ride [1]	-	-	-	-	-
Monthly pass	110.40	110.40	110.40	138.00	138.00

[1] 8-ride tickets replaced 10-ride tickets effective on March 2, 2009. 8-ride tickets were discontinued on October 1, 2017.

Source: ACFRs, Caltrain codified tariff, and Caltrain board reports on passenger counts; National Transit Database.

This table presents passenger fares, number of passengers, and four-zone revenue fare structure.

FY2024 Caltrain ridership is preliminary and subject to change

2019		2018		2017		2016		2015
$ 102,668		$ 97,050		$ 92,429		$ 86,959		$ 83,351
17,797		18,944		18,743		19,233		18,567
$ 10.50		$ 10.50		$ 9.75		$ 9.75		$ 9.25
-		-		-		-		-
21.00		21.00		19.50		19.50		18.50
-		-		68.10		68.10		64.75
298.50		278.60		243.80		243.80		232.00
$ 4.75		$ 4.75		$ 4.75		$ 4.75		$ 4.50
-		-		-		-		-
10.50		10.50		9.75		9.75		9.25
-		-		34.05		34.05		32.25
138.00		128.80		121.90		121.90		116.00

REVENUE CAPACITY – PRINCIPAL REVENUE PAYERS
FISCAL YEAR ENDED JUNE 30, 2024

The JPB does not have major revenue payers as most of the operating revenues are derived from passenger fares.

PENINSULA CORRIDOR JOINT POWERS BOARD

DEBT CAPACITY – RATIO OF OUTSTANDING DEBT
FISCAL YEARS 2015 THROUGH 2024 (in thousands)

Fiscal Year	Revenue Bonds (in thousands)[1]	Personal Income for San Mateo County[2]	As a Percent of Personal Income
2024	$ 220,164	$ 121,059	181.865%
2023	222,771	117,533	189.539%
2022	225,320	114,109	197.460%
2021	54,890	110,787	49.546%
2020	55,153	107,560	51.276%
2019	55,417	101,056	54.838%
2018	34,496	96,306	35.819%
2017	34,514	89,223	38.683%
2016	34,532	81,489	42.376%
2015	34,551	78,525	44.000%

[1] Source: Current and prior years' Annual Comprehensive Financial Reports.

[2] Data include retroactive revisions by the U.S. Department of Commerce, Bureau of Economic Analysis. Personal Income and Per Capital Personal Income data for 2022, 2023, and 2024 is based on an estimated three percent annual increase over 2021.

Source data for table is the FY23 San Mateo County Annual Comprehensive Financial Report.

This table presents the capacity of the JPB to issue Revenue Bonds based on the total personal income for San Mateo County.

DEBT CAPACITY – BONDED DEBT
FISCAL YEARS 2015 THROUGH 2024 (in thousands)

Fiscal Year	Revenue Bonds	Operating Contributions / Transaction and Use Tax	As a Percent of Operating Contributions / Transaction and Use Tax
2024	$ 220,164	$ 119,614	184.1%
2023	222,771	121,645	183.1%
2022	225,320	112,620	200.1%
2021	54,890	28,538	192.3%
2020	55,153	28,035	196.7%
2019	55,417	25,448	217.8%
2018	34,496	20,448	168.7%
2017	34,514	20,448	168.8%
2016	34,532	19,727	175.0%
2015	34,551	19,829	174.2%

Source: Current and prior years' Annual Comprehensive Financial Reports.

This table presents the capacity of the JPB to issue Revenue Bonds based on the total member contributions from the District, VTA, and CCSF and the Measure RR transaction and use tax since fiscal year 2023.

DEBT CAPACITY – DIRECT AND OVERLAPPING DEBT
FISCAL YEAR ENDED JUNE 30, 2024

The JPB does not have overlapping debt with other governmental agencies.

DEBT CAPACITY – DEBT LIMITATIONS
FISCAL YEAR ENDED JUNE 30, 2024

The JPB does not have a legal debt limit.

DEBT CAPACITY – PLEDGED REVENUE COVERAGE
FISCAL YEARS 2015 THROUGH 2024 (in thousands)

Fiscal Year	Pledged Revenue	Debt Service (Farebox Revenue Bonds) Principal	Interest	Total	Debt Coverage
2024	$ 49,742	$ 1,235	$ 2,236	3,471	14
2023	46,665	1,175	2,296	3,471	13
2022	37,694	1,120	2,354	3,474	11
2021	35,206	-	2,382	2,382	15
2020	84,458	-	2,283	2,283	37
2019	112,777	-	1,451	1,451	78
2018	107,036	-	1,282	1,282	83
2017	102,031	-	1,292	1,292	79
2016	95,433	-	1,282	1,282	74
2015	90,763	-	1,148	1,148	79

Year	Pledged Revenue	Debt Service (Measure RR Sales Tax Revenue Bonds) Principal	Interest	Total	Debt Coverage
2024	$ 119,614	$ -	$ 7,000	$ 7,000	17
2023	121,645	-	7,000	7,000	17
2022	112,620	-	1,731	1,731	65

Source: Current and prior years' Annual Comprehensive Financial Reports.

These tables present the relationship between total farebox and Measure RR transaction and use tax revenues and total principal and interest payments, as well as the JPB's ability to meet its debt obligations.

PENINSULA CORRIDOR JOINT POWERS BOARD

SALES TAX RECEIPTS – COUNTY OF SAN MATEO
FISCAL YEARS 2023 AND 2014 (in thousands)

	2023			2014		
Major Industry Group	**Rank**	**Percent of Sales Receipts**	**Amount**	**Rank**	**Percent of Sales Receipts**	**Amount**
County And State Pool	1	20.5%	$ 44,900	3	13.4%	$ 20,334
Autos And Transportation	2	16.8%	36,872	2	17.7%	26,816
General Consumer Goods	3	15.0%	32,866	1	21.0%	31,760
Business And Industry	4	14.2%	31,221	5	11.1%	16,782
Restaurants And Hotels	5	13.2%	28,993	4	12.7%	19,185
Building And Construction	6	8.2%	17,907	7	8.3%	12,611
Fuel And Service Stations	7	7.6%	16,663	6	10.8%	16,337
Food And Drugs	8	4.4%	9,709	8	5.1%	7,710
Transfers And Unidentified	9	0.1%	271	9	0.0%	62
Total			**$ 219,402**			**$ 151,597**

Source: County-wide sales tax receipts provided for the County of San Mateo by Major Industry Group by Hinderliter, de Llamas and Associates (HDL).

PENINSULA CORRIDOR JOINT POWERS BOARD

SALES TAX RECEIPTS – CITY AND COUNTY OF SAN FRANCISCO
FISCAL YEARS 2023 AND 2014 (in thousands)

	2023			2014		
Major Industry Group	**Rank**	**Percent of Sales Receipts**	**Amount**	**Rank**	**Percent of Sales Receipts**	**Amount**
Restaurants And Hotels	1	25.4%	$ 50,038	2	24.8%	$ 44,909
County And State Pool	2	23.6%	46,586	3	16.4%	29,606
General Consumer Goods	3	18.9%	37,398	1	26.8%	48,563
Business And Industry	4	9.6%	18,876	4	10.2%	18,527
Food And Drugs	5	5.7%	11,204	6	5.8%	10,563
Building And Construction	6	5.6%	11,042	7	4.9%	8,818
Fuel And Service Stations	7	5.5%	10,858	5	6.1%	11,074
Autos And Transportation	8	5.5%	10,827	8	4.8%	8,777
Transfers And Unidentified	9	0.3%	530	9	0.1%	158
Total			**$ 197,359**			**$ 180,995**

Source: County-wide sales tax receipts provided for the City and County of San Francisco by Major Industry Group by Hinderliter, de Llamas and Associates (HDL).

SALES TAX RECEIPTS – COUNTY OF SANTA CLARA
FISCAL YEARS 2023 AND 2014 (in thousands)

	2023			2014		
Major Industry Group	**Rank**	**Percent of Sales Receipts**	**Amount**	**Rank**	**Percent of Sales Receipts**	**Amount**
Business And Industry	1	27.9%	$ 161,526	1	24.1%	$ 94,270
County And State Pool	2	18.8%	108,732	3	14.8%	58,002
General Consumer Goods	3	13.6%	78,663	2	19.7%	76,806
Autos And Transportation	4	13.3%	76,938	4	12.1%	47,450
Restaurants And Hotels	5	11.2%	65,061	5	10.7%	41,636
Building And Construction	6	6.7%	39,029	7	7.1%	27,928
Fuel And Service Stations	7	5.0%	28,965	6	7.5%	29,369
Food And Drugs	8	3.3%	18,829	8	3.9%	15,293
Transfers And Unidentified	9	0.2%	1,039	9	0.0%	36
Total			**$ 578,782**			**$ 390,790**

Source: County-wide sales tax receipts provided for the County of Santa Clara by Major Industry Group by Hinderliter, de Llamas and Associates (HDL).

DEMOGRAPHICS AND ECONOMIC INFORMATION – POPULATION, INCOME, AND UNEMPLOYMENT RATES – COUNTY OF SAN MATEO
FISCAL YEARS 2015 THROUGH 2024

Fiscal Year	Population [1]	Total Personal Income (in millions) [2]	Per Capita Personal Income [2]	Average Unemployment Rates [3]
2024	734,481 *	$ 129,401 *	$ 175,366 *	3.50%
2023	737,644	125,632 *	170,259 *	3.10%
2022	740,821	121,973 *	165,300 *	2.10%
2021	751,596	118,420	160,485	5.00%
2020	771,061	108,470	142,264	10.80%
2019	774,231	100,799	131,180	2.20%
2018	772,372	96,226	124,705	2.50%
2017	770,256	89,149	115,556	2.90%
2016	765,895	81,488	106,115	3.30%
2015	759,155	78,525	102,639	3.30%

[1] Data include retroactive revisions by the State of California Department of Finance, Demographic Research Unit.

[2] Data include retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

[3] Data include retroactive revisions by the State of California Employment Development Department. Unemployment rates are non-seasonally adjusted for June.

*2024 Population estimate is based on 0.42% decline from 2022 to 2023.

*Total Personal Income and Per Capital Personal Income data for 2022, 2023 and 2024 is based on an estimated three percent annual increase over 2021. Source data for table is FY23 San Mateo County ACFR.

Source: County of San Mateo fiscal year 2023 Annual Comprehensive Financial Report.

This table highlights San Mateo County's total population, total personal and per capita income, and percentage of unemployed residents.

DEMOGRAPHICS AND ECONOMIC INFORMATION – POPULATION, INCOME, AND UNEMPLOYMENT RATES – CITY AND COUNTY OF SAN FRANCISCO
FISCAL YEARS 2015 THROUGH 2024

Fiscal Year	Population [1]	Total Personal Income (in millions) [2]	Per Capita Personal Income [2]	Average Unemployment Rates [3]
2024	787,829 *	$ 141,355 *	$ 174,851 *	3.60%
2023	798,206	137,238	169,758	2.70%
2022	808,437	133,601	165,259	3.30%
2021	811,253	131,601	161,532	6.90%
2020	870,939	122,788	141,072	4.80%
2019	881,549	117,636	133,442	2.30%
2018	880,696	115,445	131,083	2.60%
2017	879,166	106,007	120,576	3.10%
2016	876,103	96,161	109,760	3.40%
2015	862,004	89,533	103,867	4.00%

[1] US Census Bureau. Fiscal years 2020, 2021, and 2022 were updated from last year's ACFR with newly available data.

[2] US Bureau of Economic Analysis. Fiscal years 2020, 2021, and 2022 were updated from last year's ACFR with newly available data.

[3] California Employment Development Department.

*2024 Population estimate is based on 1.3% decline from 2022 to 2023.
*Personal Income and Per Capital Personal Income data for 2024 is based on an estimated three percent annual increase over 2023. Source data for table is FY23 San Francisco County ACFR.

This table highlights City and County of San Francisco's total population, total personal and per capita income, and percentage of unemployed residents.

DEMOGRAPHICS AND ECONOMIC INFORMATION – POPULATION, INCOME, AND UNEMPLOYMENT RATES – COUNTY OF SANTA CLARA
FISCAL YEARS 2015 THROUGH 2024

Year	Population [1]		Total Personal Income (in millions) [2]		Per Capita Personal Income [2]		Average Unemployment Rates [3]
2024	1,877,403	*	$ 290,268	*	$ 153,193	*	4.10%
2023	1,886,079		281,813	*	148,731	*	3.70%
2022	1,894,783		273,605		144,399		2.20%
2021	1,934,171		268,316		138,724		5.20%
2020	1,961,969		235,835		123,661		10.70%
2019	1,954,286		223,625		115,997		2.60%
2018	1,956,598		209,020		107,877		2.90%
2017	1,938,180		190,002		98,032		3.50%
2016	1,927,888		170,673		88,920		4.00%
2015	1,889,638		158,729		82,756		4.60%

[1] Data include retroactive revisions by the State of California Department of Finance, Demographic Research Unit.

[2] US Department of Commerce - Bureau of Economic Analysis. Actual data is available through 2022. Years 2023 and 2024 data are preliminary and assume a 3% increase over prior year.

[3] California Employment Development Department.

*2024 Population estimate is based on 0.46% decline from 2022 to 2023.

*Total Personal Income and Per Capital Personal Income data for 2023 and 2024 is based on an estimated three percent annual increase over 2022. Source data for table is FY23 Santa Clara County ACFR

This table highlights Santa Clara County's total personal and per capita income, and percentage of employed residents.

Source: Santa Clara County FY2023 ACFR.

PENINSULA CORRIDOR JOINT POWERS BOARD

DEMOGRAPHICS AND ECONOMIC INFORMATION – PRINCIPAL EMPLOYERS – COUNTY OF SAN MATEO
FISCAL YEARS 2022 AND 2014

		2022*			2014		
Employers in San Mateo County	Business Type	Number of Employees	Rank	Percent of Total County Employment	Number of Employees	Rank	Percent of Total County Employment
Meta (Facebook Inc.)	Social Network	21,000	1	4.75%	3,957	5	0.96%
Oracle Corp.	Hardware and Software	12,140	2	2.75%	6,750	3	1.63%
Genentech Inc.	Biotechnology	10,000	3	2.26%	9,800	2	2.37%
United Airlines	Airline	8,700	4	1.97%	10,000	1	2.42%
County of San Mateo	Government	5,794	5	1.31%	5,472	4	1.32%
Gilead Sciences Inc.	Biotechnology	4,500	6	1.02%	3,115	8	0.75%
Visa USA/Visa International	Global Payments Technology	4,092	7	0.93%	3,500	7	0.85%
Alaska Airlines	Airline	4,000	8	0.91%			
YouTube	Online Video-Streaming Platform	2,400	9	0.54%			
Electronic Arts Inc.	Video Game Developer and Publisher	1,770	10	0.40%			
Kaiser Permanente	Healthcare	n/a		n/a	3,900	6	0.94%
Mills-Peninsula Health Services	Healthcare	n/a		n/a	2,500	9	0.61%
San Mateo Community College	College	n/a		n/a	2,285	10	0.56%
Total		74,396		16.84%	51,279		12.41%

* The latest information available for principal employers in the County.

This table presents the top 10 principal employers in San Mateo County for 2022 and 2014.

Source: San Francisco Business Times - 2023 Book of Lists; California Employment Development Department (provided by San Mateo County Controller's office) from the FY2023 County of San Mateo ACFR.

PENINSULA CORRIDOR JOINT POWERS BOARD

DEMOGRAPHICS AND ECONOMIC INFORMATION – PRINCIPAL EMPLOYERS – CITY AND COUNTY OF SAN FRANCISCO
FISCAL YEARS 2021 AND 2012

	2021*			2012*		
Employers in San Francisco City and County	Number of Employees	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment
City and County of San Francisco	35,802	1	6.38%	25,458	1	5.33%
University of California, San Francisco	29,500	2	5.26%	22,664	2	4.74%
Salesforce	10,603	3	1.89%	4,000	9	0.84%
San Francisco Unified School District	10,322	4	1.84%	8,189	5	1.71%
Sutter Health	6,100	5	1.09%			
Wells Fargo & Co	5,899	6	1.05%	8,300	4	1.74%
Uber Technologies Inc.	5,500	7	0.98%			
Allied Universal	4,095	8	0.72%			
Kaiser Permanente	3,921	9	0.70%	3,581	10	0.75%
First Republic Bank	3,042	10	0.54%			
PG&E Corporation				4,415	7	0.92%
California Pacific Medical Center				8,559	3	1.79%
Gap, Inc				6,000	6	1.26%
State of California				4,184	8	0.88%
Total	114,784		20.45%	95,350		19.96%
Total City and County Employment	561,308			477,650		

* The latest information available for principal employers in the County.

This table presents the top 10 principal employers in San Francisco City and County for 2021 and 2012.

Source: FY2023 County of San Francisco ACFR. City and County of San Francisco data is provided by Office of the Controller's Payroll and Personnel Services Division. The University of California, SF data is from the Data Source Corporate Personnel Data Warehouse. All other data is obtained from the San Francisco Business Times Book of Lists.

PENINSULA CORRIDOR JOINT POWERS BOARD

DEMOGRAPHICS AND ECONOMIC INFORMATION – PRINCIPAL EMPLOYERS – COUNTY OF SANTA CLARA
FISCAL YEARS 2023 AND 2014

	2023*			2014		
Company or Organization	Estimated Number of Employees	Rank	Percent of Total County Employment	Estimated Number of Employees	Rank	Percent of Total County Employment
Google LLC	44,244	1	4.40%	11,000	6	1.25%
Tesla Motors Inc.	30,000	2	2.98%			
Apple Inc.	25,000	3	2.49%	15,000	3	1.71%
Meta Platforms Inc. (formerly Facebook Inc.)	22,515	4	2.24%			
County of Santa Clara	21,590	5	2.15%	16,408	2	1.87%
Cisco Systems Inc.	18,500	6	1.84%	16,819	1	1.91%
Stanford University	16,963	7	1.69%	14,641	4	1.66%
Stanford Health Care (formerly Hospital & Clinics)	10,847	8	1.08%	8,451	7	0.96%
University of California Santa Cruz	8,671	9	0.86%			
City of San Jose	8,134	10	0.81%	5,650	10	0.64%
Kaiser Permanente Northern California	n/a			13,500	5	1.53%
Lockheed Martin Space Systems Co.	n/a			6,400	8	0.73%
Intel Corporation	n/a			5,800	9	0.66%
Total - Top 10 Employers	206,464			113,669		
Total County Employment	1,005,500			865,900		

* The latest information available for principal employers in the County.

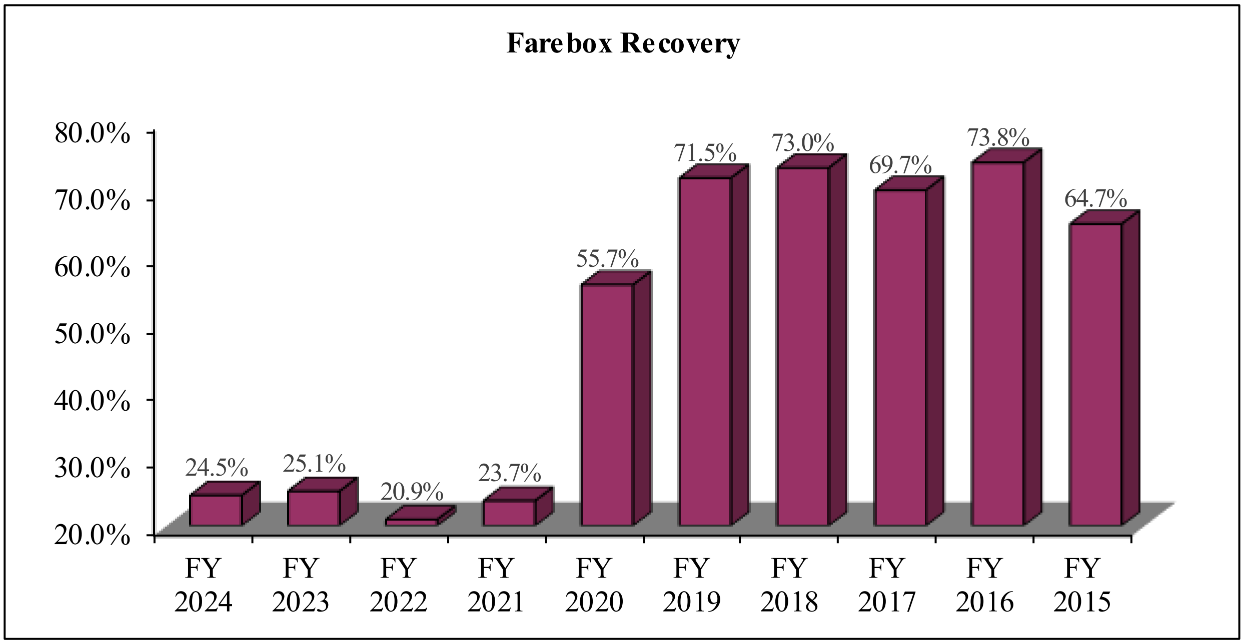
This table presents the top 10 principal employers in Santa Clara County for 2023 and 2014.

Source: County Employment Data is from California Employee Development Department. FY2023 Estimated number of employees is from Silicon Valley/San Jose Business Journal July 21-27-2023 from the FY2023 County of Santa Clara ACFR.

OPERATING INFORMATION – FAREBOX RECOVERY AND PASSENGER MILES
FISCAL YEARS 2015 THROUGH 2024

FAREBOX RECOVERY

The farebox recovery table shows the relationship between total passenger fares and operating expenses. The Board of Directors (Board) adopted a farebox recovery rate goal minimum of 65 percent effective December 2018. The COVID-19 pandemic has significantly impacted ridership and farebox.

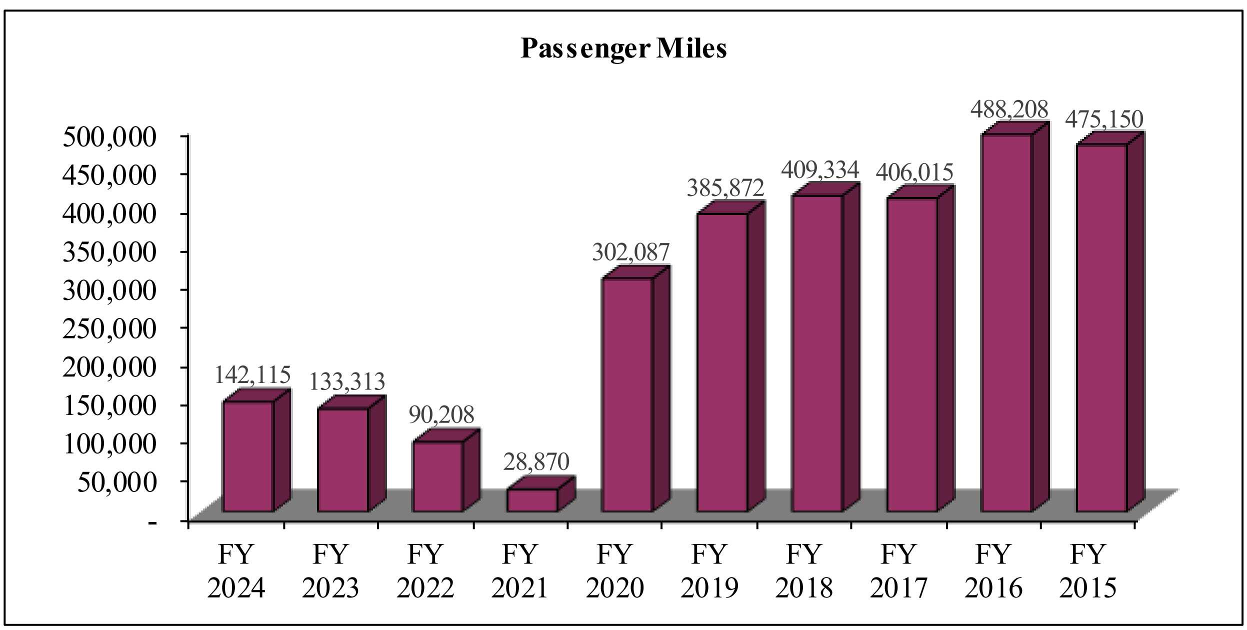


PASSENGER MILES

(in thousands)

Total passenger miles

Caltrain moved to a 104 weekday train schedule at the end of August 2021.



Source: The JPB's National Transportation Database.

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PENINSULA CORRIDOR JOINT POWERS BOARD

OPERATING INFORMATION – EMPLOYEES (FULL-TIME EQUIVALENTS) FISCAL YEARS 2015 THROUGH 2024

	FULL-TIME EQUIVALENTS (FTEs)									
DIVISION	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
BUS OPERATORS	1.20	-	-	-	-	-	-	-	-	-
CALTRAIN MODERNIZATION PROGRAM	6.50	-	-	-	-	-	-	-	-	-
COMMUNICATIONS	26.45	-	-	-	-	-	-	-	-	-
FINANCE	23.48	-	-	-	-	-	-	-	-	-
PEOPLE AND CULTURE	4.78	-	-	-	-	-	-	-	-	-
PLANNING	3.98	-	-	-	-	-	-	-	-	-
RAIL OPERATIONS	143.11	-	-	-	-	-	-	-	-	-
SAFETY AND SECURITY	5.75	-	-	-	-	-	-	-	-	-
EXECUTIVE	1.60	4.61	0.90	0.90	0.90	0.52	0.52	0.56	0.70	0.76
PUBLIC AFFAIRS	-	-	-	-	-	-	-	-	5.35	4.80
OPERATIONS, ENGINEERING, AND CONSTRUCTION	-	128.91	94.12	95.19	79.13	84.38	62.60	42.88	51.64	49.64
PLANNING AND DEVELOPMENT	-	7.61	7.79	8.08	8.09	7.00	6.70	8.45	6.43	5.95
FINANCE AND ADMINISTRATION	-	26.12	26.21	27.74	28.96	28.10	29.86	33.71	29.44	29.40
CALTRAIN MODERNIZATION PROGRAM	-	8.00	9.00	9.00	9.00	9.00	17.45	8.25	9.95	5.95
CUSTOMER SERVICE AND MARKETING	-	21.12	18.20	18.41	17.34	15.09	16.79	24.01	11.27	11.14
TOTAL FTEs	216.85	196.37	156.22	159.32	143.42	144.09	133.92	117.85	114.78	107.64

Note: The organization went through a reorganization in FY2024.

This table presents the total full-time equivalents (FTEs) by division.

Source: JPB's annual capital and operating budget.

PENINSULA CORRIDOR JOINT POWERS BOARD

OPERATING INFORMATION – CAPITAL ASSETS (in thousands)
FISCAL YEARS 2015 THROUGH 2024

	2024	2023	2022	2021	2020
Depreciable and amortized capital assets					
Right-of-way improvements	$ 1,202,363	$ 1,202,236	$ 1,199,128	$ 1,188,736	$ 1,192,985
Rail vehicles	339,502	338,413	338,072	337,025	333,025
Facilities and equipment	148,840	145,879	145,177	145,065	145,121
Office equipment	13,817	13,765	13,750	13,767	13,354
Total depreciable and amortized capital assets	1,704,522	1,700,293	1,696,127	1,684,593	1,684,485
Accumulated depreciation and amortization					
Right-of-way improvements	(851,586)	(807,602)	(761,680)	(710,610)	(666,113)
Rail vehicles	(289,713)	(281,841)	(273,766)	(265,139)	(258,608)
Facilities and equipment	(87,906)	(83,292)	(78,725)	(74,279)	(70,530)
Office equipment	(13,713)	(13,645)	(13,467)	(13,306)	(13,229)
Total accumulated depreciation and amortization	(1,242,918)	(1,186,380)	(1,127,638)	(1,063,334)	(1,008,480)
Non-depreciable capital assets					
Right-of-way	237,254	237,254	236,968	236,968	236,340
Construction in progress	3,102,854	2,775,062	2,424,021	1,840,831	1,447,512
Intangible asset - trackage rights*	8,000	8,000	8,000	8,000	8,000
Total non-depreciable capital assets	3,348,108	3,020,316	2,668,989	2,085,799	1,691,852
Capital assets, net	$ 3,809,712	$ 3,534,229	$ 3,237,478	$ 2,707,058	$ 2,367,857

* Per GASB Statement No. 51 effective as of fiscal year 2009, trackage rights are a non-depreciable capital asset. The activity for fiscal year 2009 has been restated to reflect the change.

Source: Annual Comprehensive Financial Reports.

This table presents the total non-depreciable capital assets, total depreciable capital assets, and total accumulated depreciation and amortization.

2019	2018	2017	2016	2015
$ 1,183,600	$ 1,170,025	$ 1,131,890	$ 1,033,142	$ 972,866
333,787	333,572	312,738	300,680	284,023
136,599	130,231	130,942	128,365	128,584
14,529	18,129	2,669	1,085	1,084
1,668,515	1,651,957	1,578,239	1,463,272	1,386,557
(632,433)	(579,398)	(515,275)	(452,151)	(399,280)
(246,236)	(230,537)	(206,161)	(190,840)	(161,494)
(66,271)	(61,357)	(57,522)	(52,459)	(48,396)
(13,927)	(9,105)	(1,342)	(928)	(854)
(958,867)	(880,397)	(780,300)	(696,378)	(610,024)
233,711	226,973	226,972	226,972	226,972
1,124,618	735,025	486,333	356,152	305,977
8,000	8,000	8,000	8,000	8,000
1,366,329	969,998	721,305	591,124	540,949
$ 2,075,977	$ 1,741,558	$ 1,519,244	$ 1,358,017	$ 1,317,482

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